

**MMF-US – E-NEWSLETTER (January 2014) - *Extra MMF-US FEATURE***

\*\*\*\*\*  
\*\*\*\*\*

**MEMBER/MANAGER ANNOUNCEMENTS**



**MMF-US PRESIDENT'S NOTE:**

I want to thank each and every one of you for your support throughout the years. Music Managers Forum-US is your organization and we look to you for news to publish on our website, ideas to pursue and any other input you believe will be helpful in strengthening our mission and purpose.



-Barry Bergman, MMF-US President (1993-2014)

+++++



## Music Manager Forum-US presents the SXSW Managers Peer Group Meeting

To All Registered Managers Attending South By Southwest:

You are cordially invited to a special, closed-door **Managers Peer Group Meeting at South By Southwest 2014**, to be held **Friday, March 14th** from **2:00PM-3:00PM** at the **Austin Convention Center**. MMF-US was able to switch the day away from Saturday in order to accommodate the availability of more managers. Steve Scharf and Steve Garvan will co-host again. For questions or further information, please contact Steve Garvan (MMF-US & IMMF) at [steve@garvanmanagement.com](mailto:steve@garvanmanagement.com)

Like last year, this meeting is an opportunity for like-minded professionals to meet and exchange ideas and suggestions on a variety of issues. We hope you will take advantage of this unique opportunity. Please be advised you must be registered at SXSW to gain admission to the Convention Center. MMF-US is also looking into scheduling a casual meet-up off-site for all managers in action for SXSW in Austin. <http://www.sxsw.com>. We look forward to seeing you in Austin.

+++++



The **IMMF** [www.imf.com](http://www.imf.com) will be holding its annual General Assembly on February 2, 2014 at **MIDEM** [www.midem.com](http://www.midem.com) in Cannes, France. Elections will be held for Executive Director, Chairman, & Vice-Chairman. IMMF now consists of up to 20 country chapters globally and they welcome newest affiliates Estonia, Portugal and Spain, and provisional West Africa. IMMF continues to explore various partnerships to increase our education, staffing and other projects.

The International Music Manager's Forum (IMMF) represents featured artist music managers and through them the featured artists (performers and authors) themselves. These featured artists are those that are the source of over 95% of the economic activity in the global music industry. Featured artist music managers are uniquely placed to comment on music industry issues, as they are the only group of professionals that deal with every aspect of the music industry and the copyright system as it applies to music on a daily basis. [www.immf.com](http://www.immf.com)

+++++



**MMF US & MMF Canada** will be presenting a management mentoring /roundtable session at International Folk Alliance Conference in Kansas City on Friday, February 21, 2014. The two (2) hour session will be for a blend of high-level & developing managers, as well as self-managed artists. The session will be followed by a reception open to all interested attendees of the Folk Alliance Conference. <http://www.folkalliance.org/conference>

For further information, please contact Steve Garvan [steve@garvanmanagement.com](mailto:steve@garvanmanagement.com)

+++++

## **Artist Management course - instructor needed**

### **at the Institute of Audio Research**

**The Institute of Audio Research** ([www.iar.edu/memp](http://www.iar.edu/memp)) is currently **seeking qualified instructors** to teach the Artist Management course (course description below). The next term begins the last week of January and runs for 9 weeks. Classes are held either from 1:00 PM - 3:30 PM or 3:30 PM – 6:00 PM. The class meets twice a week on alternating days (e.g., Mon and Wed, Tues and Thurs, or Wed and Fri). The course has a syllabus and assigned textbook. Here is the course description:

#### **Artist Management:**

A study of classic management theory in the context of artist management for the music and entertainment business manager. Emphasis on the artist-manager relationship, including fiduciary duties, artist-manager contracts, legal aspects of personal service agreements, California and New York State licensing requirements and distinctions, and accounting standards. Utilizing the case study method, students develop an Artist Career Plan,

review band member agreements, and recording contracts.

Candidates need either a BA/BS degree with a requisite amount of business and management credits. Please feel free to forward this on to any individuals you believe may be interested and qualified for this opportunity. Those interested should directly contact and submit a resume/CV to:

Prof. Barry J. Heyman, J.D.  
Dept. Chair, Music and Entertainment Management and Production (MEMP)  
Institute of Audio Research  
64 University Place  
New York, NY 10003  
646.274.8859  
bheyman@iar.edu<<mailto:dcohen@iar.edu>>

+++++

## **MMF-US DUES**

MMF-US Members:

**MMF-US membership dues for 2014 are due.** If you have already paid your dues in 2014, please disregard this notice. Please take care of your payment today so the MMF can continue the vital work it has done for the past 20 years on behalf of managers and artists worldwide. We really need your support to continue our work.

To renew your MMF-US membership, please fill out all fields of the Membership Application online.

Please pay by credit card using PayPal (PayPal account is not necessary, you can just use a major credit card).

Please use the following link from the MMF-US website to renew:

<http://www.mmfus.com/join-and-renew/application>

In addition, please fill out the Membership Submission Form with your PayPal or credit payment.

Alternatively you can send a check for \$75 payable to “Music Managers Forum-US” and mail it to:

MMF-US

PO Box 419

New York, NY 10156

If you have any questions regarding payment of dues, please contact President Barry Bergman at [barrybergman@earthlink.net](mailto:barrybergman@earthlink.net)

The MMF-US is an all-volunteer organization with no paid employees, so your prompt payment of membership dues is vital for us to continue this important work. Please [contact us](#) if you would like to get more involved in MMF-US activities. Thank you for your support.

+++++

**MUSIC INDUSTRY NEWS OF INTEREST TO MMF-US MEMBERS:**



**SoundExchange to Provide Monthly Payments to Artists and Labels**

SoundExchange First of Its Kind to Offer Artists and Rights Owners Monthly Performance Royalties

From News Release from SoundExchange

WASHINGTON, DC – January 14, 2014 – Beginning this month, SoundExchange will provide monthly royalties to artists, labels and rights owners signed up to receive electronic payments. Previously, SoundExchange sent royalty payments quarterly to its registrants, and is now the first sound recording performance rights organization

in the world to offer monthly distributions. Most sound recording performance organizations in other countries pay only annually.

“While SoundExchange was already a market-leader with quarterly distributions, moving to monthly payments takes our service to the next level,” said SoundExchange President and CEO Michael Huppe. “By making performance royalties available sooner, we are making it easier for recording artists and record labels to focus on creating the music we all enjoy.”

Initially, monthly royalty payments will be sent to those that are signed up to receive electronic payments, and have royalties due of at least \$250. Artists and labels that do not meet this minimum threshold will continue to be paid on a regular, quarterly schedule under our existing guidelines. After the initial roll out period, SoundExchange will re-evaluate eligibility qualifications for our monthly payment program.

SoundExchange, which recently celebrated its 10-year anniversary, represents recording artists, rights owners and record labels from every type of musical genre. Since inception, SoundExchange has put nearly \$2 billion into music creators’ pockets. SoundExchange administers the statutory license for more than 2,000 digital music services that rely on it for the use of sound recordings.

### **About SoundExchange**

SoundExchange is the independent nonprofit performance rights organization representing the entire recorded music industry. The organization collects statutory royalties on behalf of recording artists and master rights owners for the use of their content from satellite radio, Internet radio, cable TV music channels and other services that stream sound recordings. The Copyright Royalty Board, created by Congress, has entrusted SoundExchange as the only entity in the United States to collect and distribute these digital performance royalties from more than 2,000 services. SoundExchange has paid out nearly \$2 billion in royalties since its inception. For more information, visit [www.SoundExchange.com](http://www.SoundExchange.com) or [www.facebook.com/soundexchange](http://www.facebook.com/soundexchange).

+++++



# FCC Shelves Pandora's Bid For South Dakota Radio Station

By Ed Christman, New York | January 15, 2014

In another minor setback to its music licensing plans, Pandora has received word from the FCC that it is no longer processing its application for the transfer of the ownership of broadcasting license for KXMZ, the Rapid City, South Dakota radio station it acquired last June.

In making that acquisition, Pandora had hoped to take advantage of the lower rates that internet streaming services owned by terrestrial radio stations enjoy. That rate is the result of agreement with the Radio Music Licensing Committee and ASCAP in 2012, which allowed for internet radio stations to pay 1.7% of revenue, less standard deductions. After making that acquisition, Pandora claimed in the ASCAP rate court, and likely the BMI rate court too, that its entire service should be eligible for the lower 1.7% rate, and the 1.7% rate it pays BMI. That combined rate of 3.4% is lower than the 3.6% rate Pandora has been paying the two Performance Rights Organizations ASCAP and BMI. That rate is also lower than the pro-rated 10% of revenue that ASCAP and BMI are getting in their deals with iTunes Radio

But the FCC has sent Pandora letter, according to an ASCAP filing with the rate court, that says that Pandora hasn't adequately complied with supplying the agency with ownership information so it can determine if Pandora is at least 75% owned by U.S. citizens, which means foreign ownership must be capped at 25%. Since Pandora only supplied mailing addresses, the FCC said that is not enough to determine if the owners are indeed citizens of the U.S. "Therefore Pandora may not rely on this data in making its foreign ownership certification," the FCC letter stated. Pandora apparently pushed back saying that no publicly traded corporation with a large shareholder today would be able to adequately demonstrate compliance with alien ownership limits, using outdated methodology that was devised before electronic trading became widely available. But the FCC responded that very technology makes it easier to determine the country or origin of individual shareholders. Consequently, the FCC said it will cease processing Pandora's application until it "demonstrate adequate support for its foreign ownership compliance certification. But just because the application is in limbo, doesn't mean Pandora isn't already moving to satisfy the FCC request for more information about foreign ownership. It makes more sense to assume that Pandora would move to immediately gather that information to re-jumpstart the approval process than to conclude it would give up and walk away.

With the Pandora application in limbo, it still remains to be determined how the ASCAP rate court judge will react to Pandora's push for lower rates on the basis of ownership of the South Dakota radio station. The trial is set to begin Jan. 21 in New York City, with a pre-trial hearing taking place Thursday (Jan. 16).

+++++



## ‘American Idol’ Keeps Sliding; Ratings Fall 22 Percent for Premiere

By Bill Carter January 16, 2014

From the New York Times

PASADENA, Calif. — Fox executives were candid about their expectations for the ratings for the premiere of the new season of “American Idol.” Several of them said the same thing here this week: We expect to be down about 20 percent.

There is probably little solace in being right — the premiere Wednesday night was down 22 percent in the audience Fox sells to advertisers, viewers between the ages of 18 and 49 — but in one way the network was satisfied with the initial results. It easily could have been worse. The 22 percent drop is based on a fall from a 6 rating last year for the premiere to a 4.7 rating on Wednesday for the 18-49 category. In total viewers, the premiere attracted 15.2 million viewers, down 16 percent from 17.9 million last winter. But the finale of last season came in at just a 3.6 rating, with 14.3 million viewers. That was the scariest sign for Fox that the appeal of “Idol” might be coming to an end. The numbers Wednesday at least showed that “Idol” fans were willing to give the new season a chance.

Still, the fact that the show’s premiere hit a new low (lower even than Season 1, which started in the summer of 2002) means the overall trendline remains worrisome. Fox executives were hoping a new lineup of judges — the country artist Keith Urban (the only holdover from last year) joined by the pop superstar Jennifer Lopez (a fan favorite back after a year away) and the singer Harry Connick Jr. — and a more upbeat focus on the performers would generate some positive word of mouth that would prevent the drastic falloffs that have occurred the last two seasons.

Though “Idol” may be diminished, it is still formidable competition. It easily was the top show of the night on television, even topping the return of “Duck Dynasty” on A&E, for example. There has been some expectation that “Dynasty” might ride the recent controversy over the family patriarch Phil Robertson’s remarks about gays and blacks to a new high in ratings. Instead “Duck Dynasty” declined 28 percent from its most recent premiere to 8.5 million viewers, down from 11.8 million.

+++++



## Billboard's 2014 Industry Icon:

### Paul McGuinness on 35 Years Guiding 'The Biggest Band in the World' (Q&A)

By Ray Waddell, Nashville | January 17, 2014

From Billboard Online



Paul McGuinness

Few managers are so closely associated with one act as Paul McGuinness has been with U2, a group he took from a fledgling band of dubious musicianship playing Dublin bars to where it is widely considered the biggest group in the world.

News broke late last year that McGuinness would step back from day-to-day duties for U2 after more than 35 years, handing the reins to Madonna manager Guy Oseary, as the band's management shifts from McGuinness' Principle Management to the management division of Live Nation, with whom U2 signed a 12-year touring/merchandising/e-commerce pact in 2008. In a statement, U2 said, in part, "Paul has saved us from ourselves many times over and we would not be U2 without him," describing his ongoing role as "mentor in chief." The move represents a monumental change for McGuinness, who has devoted more than half of his life to guiding U2. While he has directed countless significant career moves along the way, perhaps the most visionary was realizing the potential of a band he recalls "weren't very good at all" when he was first introduced to the group by influential Irish music writer Bill Graham -- though McGuinness adds that his own lack of musical sophistication didn't make the band's lack of chops an issue.

But McGuinness did have the vision to recognize U2's onstage alchemy -- an intense connection between band and audience -- and unlimited potential. The fiery ambition and creativity of both band and manager led to a career unlike any in pop history.

In recognition of his lifelong achievements and vision in moving the music industry forward, McGuinness will be the recipient of the 2014 Billboard Industry Icon Award. The honor will be presented at MIDEM in Cannes on Feb. 2. The inaugural Industry Icon Award was presented in 2012 to Sire Records founder/CEO Seymour Stein and in 2013 the honor went to Beggars Group founder/chairman Martin Mills. Born in post-war Germany in 1951, McGuinness' father was an officer in the Royal Air Force from Liverpool and his mother a schoolteacher from County Kerry in Ireland. The global perspective of U2's development came naturally to McGuinness, who grew up on RAF bases around the world in such places as Malta, Yemen and various parts of England, first coming to Ireland for boarding school in 1961. Raised in a non-musical household, McGuinness still was drawn to a career in the arts. He directed plays and tried his hand at journalism at Dublin's

Trinity College. After a brief career in film production (including a notable stint in the cult classic "Zardoz" with Sean Connery), McGuinness shifted his focus to music, working with such obscure Irish bands as Spud before that fateful introduction to U2 in 1978. In a revealing, wide-ranging interview, Billboard picks up the story there, at the beginning of a relationship that forever changed the history of music.

### **What was your first impression of U2?**

They were pretty smart -- that was the first thing that was very clear. They were ambitious, they were interested in what was going on with other bands, and were very committed to performance. Bono particularly was down the front of the stage, looking for eye contact with the audience. Even at a young age, he was a very charismatic frontman.

### **What were some of your early wins in managing U2?**

It was very hard to get a record deal. I thought they were so good, and it was so obvious that they would develop, that it surprised me greatly that pretty well every record company in London passed on them. We had some success getting A&R men to see them, but we had either bad luck, the shows weren't very good or the A&R guys just didn't see it. It took a surprisingly long time to get a deal, and in the end the deal we got from Island was the only one on offer.

*"It surprised me greatly that pretty well every record company in London passed on them"*

We were actually very lucky to get signed by Island, because their culture suited us perfectly. There seemed to be a policy of letting the artist be in charge. I'm sure it wasn't as simple as that, but there was respect for the artist. What I did not realize at the time was that it was very important to have [Island founder] Chris Blackwell's involvement. He wasn't very involved in the signing of the band. He became a big supporter later, but the people who really signed the band at Island Records were [Island A&R man] Nick Stewart, press officer Rob Partridge and [talent scout] Annie Rosebury.

### **Were such superlatives as "biggest band in the world" even in your head at that point?**

The only reason I wanted to manage a band at all was because I wanted to manage a very big band. I certainly wasn't doing it philanthropically.

### **U2's first three albums were critically acclaimed but less than blockbusters, and during that time the band really developed its performance chops. Did you always consider the live thing as a critical part of a band's career?**

We always realized that there were two parallel careers: one live and one on record. We felt instinctively in the early days that it was important to be a great live band so that we were not dependent upon the success of the records. The first album ["Boy," 1980] was, as you say, critically well-received, but didn't have any hits. The hits off that album came much later. The second album ["October," 1981] was recorded in a bit of a hurry and, looking back on it, quite weak. The third album ["War," 1983] was a No. 1 album in the U.K., and 'round about that time the live album we did at Red Rocks [in Colorado, "Under a Blood Red Sky"] and the accompanying film ["Live at Red Rocks"] really did a lot to break the band in all countries. "Unforgettable Fire" in 1985 went to No. 1 in most European countries and did respectably in the U.S.

It was then that we started to play in arenas in the U.S. We had built up a very strong live base in America. I believed that was very important, and in the early '80s we would spend three months of every year in the U.S.

One of the most important connections we ever made was with [agents] Frank Barsalona and Barbara Skydel at Premier Talent, [who] really believed in the band. They could see that it was a great live act. I learned an awful lot just from talking with Frank. I used to sit in his office until late at night when everyone else had gone home, and Barbara was our responsible agent. They were both major forces in the success of the band.

In Europe and other territories outside North America we had an equally brilliant agent in Ian Flooks and his company Wasted Talent -- the hot agency in Europe when we started out. They picked up on U2 right at the beginning, and we did every date we ever did in Europe for either them or an agent in Ireland called Dave Kavanagh. And we worked with promoters like Leon Ramakers and Thomas Johanssen in Europe since day one, as well as Michael Coppel in Australia.

Working with agents was fundamental to the early success of U2. The band wanted to be good live, and they were prepared to put a lot of time and effort into touring, and so was I. We were not prepared to be the kind of routine visiting English punk band. I attended pretty well every show they ever did.

**Which shows stand out?**

Many of our great shows have been at Madison Square Garden. It's a very special place for us, and New York was always a very important market for us because it was such a great live market. We used to play multiple nights at the Ritz [now Webster Hall], and the money we made off those dates would subsidize the rest of the tour.

New York had very weak radio in the early '80s. There were [rock stations] WNEW and WPLJ, and neither of those stations played U2. We were supported by a station in Long Island called WLIR. Really, we broke New York through performance.

*"It has been fascinating over the last decade or more to see the change in status and regard for the concert business and concert people, who they regarded as sort of carnie folk"*

In L.A. it was easier, because KROQ picked up on U2 right at the beginning, so the first show we ever played in L.A. was at the Country Club, a 1,200-seater in the Valley. It sold out because we had radio support in advance. Indeed, Robert Hilburn was writing about U2 in the L.A. Times before we even got there. So whenever I meet somebody in L.A. that says, "Ah, yeah, I remember seeing them in the Whiskey or the Troubadour," I say, "Well, actually, you didn't. We never played any of those places." The first was the Country Club and the second show was the Santa Monica Civic, and that was in the course of the first tour. L.A. was always a very strong market for us, and so was Chicago, again, because of good promoters. I can't remember where we played first, but I'm pretty sure it was for [Jam Productions'] Arny [Granat] and Jerry [Mickelson].

Boston was a natural play for us because it's an Irish city, and again there was a great promoter. The first show we ever played in Boston was for Don Law [now with Live Nation] at the Paradise. There was great radio there in WBCN.

**Not every band placed such a priority on touring, and certainly touring professionals weren't as highly regarded by the music industry at large in those days.**

It has been fascinating over the last decade or more to see the change in status and regard for the concert business and concert people. I remember back in the early '80s the labels tended to behave in a very patriarchal and lofty fashion toward the concert people, who they regarded as sort of carnie folk. That has changed for the artists, it's changed for the executives, and it has changed for the journalists.

When I first started working in America, it was when U2 were recording their first album. I went to New York and tried to get an appointment with Frank Barsalona but my father died back in Ireland. I called Frank's office and said, "That appointment you were going to give me, I won't be able to make it because my father has died, but I'll be back next week." So he had to see me -- the guy whose father died -- and we became very close after that. I did get a real education from him. He was a great monologist, and I was very happy to sit and listen.

**You and I spoke at the Frank Barsalona memorial dinner last year, and seeing all those promoters you worked with back in the early days must have been a cool night for you.**

It was great to see all those old rogues in one room [laughs].

**They were rogues, but you needed them to believe in your act, and the business model at that time, if they believed, worked well to move them from the clubs up the venue chain.**

Absolutely, and many of those guys we're still working with, or with the successor organization that they [joined]. The big change in our business, I suppose, came when we stopped working with the agents. We worked successfully with Premier and Wasted Talent through the '80s and most of the '90s until 1997, the PopMart tour. That was the first tour we did with Michael Cohl and Arthur Fogel, who were called TNA in those days. That was a big change, but it was necessary because the cost of producing big outdoor tours was too much for the band to finance.

There was always jeopardy -- you never knew when a show might fall out of bed or get canceled or whatever. The band were carrying the entire risk. The Zoo TV tour [in 1992] was the one we financed ourselves, and it was scary. Underwriting big tours is now absolutely normal and everyone knows how that works, but in those days it was a very difficult meeting to have when I went and told Frank that we were no longer going to be with Premier, and I had to have the same conversation with Ian Flooks.

I'm happy to say that Ian and I are still friends, though he's no longer in the business. Frank and Barbara are no longer with us, but I know it was a painful thing for them.

**For PopMart in 1997 there was a bidding situation for the promotion rights, and it created some strange bedfellows in some of the partners that aligned.**

Yes, we basically treated it like a corporate transaction. We invited bids for the tour, set within certain parameters. I remember a very formal document called the ITB, Invitation to Bid, and we sent that out to interested parties, and some of them formed consortiums. In the end, the band and I chose Michael and Arthur, and we've been working with Arthur [now chairman of global touring for Live Nation Entertainment] ever since.

**Around the time of Zoo TV you made a decision to put big money into production. What was the philosophy? Was it providing value to fans, was it art, or was it commercially motivated?**

Video was developing in a way that it hadn't in the '80s. Philips Corp. owned PolyGram, which was by then the owner of Island Records. Philips had developed some of the cutting-edge video technology, and I naively believed it would be a natural kind of corporate sponsorship and they would pay something to have that technology on display. It was the perfect vertical integration for Philips, the hardware, and PolyGram, the software.

I tried to get Alain Levy, the head of PolyGram at the time, interested, and he was. He could see the opportunity, but he couldn't get Philips in Eindhoven [the Netherlands], which is where they were headquartered, to do it. We had to buy a lot of the equipment ourselves from Philips, which was extremely annoying -- inexplicable, really.

Years later, Jan Timmer, who was the head of Philips, came to a U2 show in Holland and he saw all this technology manufactured by Philips, and Bono said to him, "Jan, how come you wouldn't come through with the TVs and the screens?" And Jan said a very strange thing: "Bono, let me explain to you: Sometimes in a big corporation like Philips, even the boss can't get what he wants," which was a pathetic thing to say.

**Regarding PolyGram buying Island, reports say the band made \$30 million in stock when that transaction occurred for \$300 million. That seems a fortuitous turn of events for U2.**

We've never confirmed the figures, but we were part owners of Island by the time the PolyGram deal took place. That had happened because at one point Island was finding it difficult to pay us after the success of "The Unforgettable Fire." So rather than get paid, we took stock in Island, and the following year [1987] The Joshua Tree obviously made a huge difference to the environment. Island was still independent at the time of The Joshua Tree, and it went to No. 1 all over the world through a different licensee in every country. So when PolyGram bought Island, we richly deserved to participate in that success.

**"The Joshua Tree" changed everything for U2. At the time, did it feel like a special record and a moment that could catapult the band to yet another level?**

Yeah, it had two No. 1 singles in the U.S., "With or Without You" and "Still Haven't Found What I'm Looking For." I remember playing that album in the early part of 1987 to a group of Island's licensees, who I had managed to gather in Cannes at MIDEM -- in fact, at the Carlton Hotel, where this [Billboard Industry Icon] breakfast is taking place. I had rented a modest suite and was playing this record to the people that were going to have to sell it around the world.

They were hearing it for the first time and their eyes were lighting up. I could see them thinking, "Oh, yeah, bonus time. We're going to do well with this."

If you play music to the people who have to sell it and promote it to radio stations, sell it into stores, you get a very visceral response, and I remember feeling that in the room at the time. It was very exciting, and I knew then -- actually, I probably knew already -- that it was going to be huge.

**I assume you were at some of those sessions and were hearing some of the music. You must have felt something special was happening.**

Absolutely. It was an amazing record, and the producers Brian Eno and Danny Lanois, that was the first time we did what later became almost standard practice. Steve Lillywhite would come in to finish the record and make decisions not always

welcomed by Brian and Danny. But Steve has been such a critical part of so many U2 records that it should never be forgotten.

**When "The Joshua Tree" hit like it did, how did you keep U2 growing?**

The Joshua Tree tour -- starting with the two hit singles, cover of Time magazine, No. 1 all over the world -- we went on tour pretty well worldwide. We decided to try and make a movie that would take the band even wider. That was "Rattle and Hum" [in 1988] with [producer] Jimmy Iovine. That wasn't actually the first time we'd worked with Jimmy, as he mixed the tapes for "Under a Blood Red Sky." Jimmy had been disappointed not to get the job of producing "The Unforgettable Fire," so when we decided to make a movie, it was a feeling that that was the way to really take the band worldwide. The examples we were looking at were Elvis and the Beatles and so on, who had achieved great things with movies, or some great things, in Elvis' case.

The movie, and the double album that went with it, kind of took over the tour. We made the movie at our own expense and managed to sell it to Paramount, who wanted to give it very wide distribution. It opened on like 1,200 screens in the U.S., which in those days was a massive number. The plan for the movie was we would promote the movie by having a No. 1 album just before, which we did, and then the movie would be huge, we thought.

Unfortunately, it didn't work out that way, and the movie performed basically to U2 fans, who loved it, but it did not bring a wider audience into the theaters. We had a pretty strange opening weekend. It had a huge Friday night, a modest Saturday night and a terrible Sunday night. I remember driving around in L.A. with some excitement with Paramount executives Barry London and Sid Ganis, who we had worked with on [the project]. Friday night was very exciting, Saturday night we were beginning to worry, and Sunday night we knew that essentially the audience for the film was very limited.

**Jumping forward a bit, I'd like to revisit the multirights deal with Live Nation and the strategy there.**

The deal with Live Nation is not really multirights in that, in regard to our recording and our publishing, the band owns all their own masters and copyrights going right back to the beginning, and those are currently licensed to Universal Music Publishing and Universal labels, Interscope in North America and Island in the U.K. and elsewhere. Live Nation [doesn't] participate in those rights. The rights Live Nation have are to do with merchandising, concerts and online. That's a very satisfactory and integrated relationship.

*"Were it not for piracy, I believe iTunes and Spotify would be so much stronger, and would be able to pay the artists even more"*

The friendship with Arthur Fogel goes back many years, and it has been very interesting to watch what has happened with the group of promoters that Bob Sillerman put together as SFX [which evolved into Live Nation]. This network of promoters that he basically bought all around the world and across North America were pretty well in every case the promoters that we were working with already. So when they bought TNA, and the name became Clear Channel and now Live Nation, we have basically stuck like glue to Arthur through that whole process. I'm sure there was a certain amount of pain when Michael Cohl exited Live Nation [as chairman in 2008], but we're still involved with Michael, because he was the producer of "Spider-Man" on Broadway [for which U2's Bono and the Edge wrote the songs]. So there's a good relationship with him.

I know that at times things became a little tense between the former chairman and the new regime at Live Nation, but it suited us the way things went in the end, and Live Nation is an admirable corporation and I wouldn't dream of working with anyone else.

**Well, the proof is in the pudding. You can see it in the tour grosses, and I can only think that the merchandising and e-commerce have done equally well. As U2 is now roughly midway through this deal, do you have any regrets?**

None at all. It's tough at times for those guys, because running a worldwide concert company and at the same time satisfying Wall Street, that's not easy, and [CEO Michael] Rapino does a pretty good job of making all that happen. Most people don't realize that he and Arthur are as hand-in-glove as they are -- they really are a pair. Rapino, of course, started out working for Michael Cohl all those years ago. The Canadians are taking over the world. Arthur's very modest, but he's my hero.

**At MIDEM in 2008 you fired a shot heard 'round the world, so to speak, in criticizing the relationship between music**

**and the technology business. Why did you feel so strongly on this issue?**

Because the music business was in a very rapid decline and the recorded-music industry was reacting to it in a very defensive and unproductive way, basically trying to maintain the status quo, which was clearly not going to be possible. There had been two decades of explosive growth in the record industry before piracy, and particularly online file sharing devastated record sales.

I felt, and I further still feel, that the machine makers, the online distributors, the Apples, the Googles, the Internet service providers -- that whole group of multibillion-dollar industries that had basically built themselves on the back of content -- should bear more responsibility for trying to ensure that the makers of the music, the makers of the films, get properly paid.

*"Their masters and their copyrights, have been, with difficulty and at some costs, completely retrieved"*

The movie business has learned a lot from the way the music business was devastated, but they still suffer a great deal. The impact of piracy on the movie business is enormous but nothing like what happened to the music business.

My feeling is there are so many brilliant, creative people in those companies, if they had adopted a more positive and generous position toward recorded music, it would have been better. What we have now is legitimate digital distribution of all music and, if you're an honest person, you can buy anything on iTunes, you can hear anything on Spotify. Those are efficient distribution systems. Of course, I would like to see the artists getting more. Were it not for piracy, I believe iTunes and Spotify would be so much stronger, and would be able to pay the artists even more.

**Your position received a bit of negative reception by some who took the position of "Doesn't U2 have enough money?" But your perspective was much broader than that.**

As I discovered at that time, if you raise your head above the parapet, you get shot down. The blogosphere is an awesome beast, as members of Congress tried to pass [the Stop Online Piracy Act discovered]. The legislators got the fright of their lives, and exactly the same thing happened to members of Parliament with a similar bill. Google had a black flag of mourning, Wikipedia went off the air for the day -- that ability to unleash a kind of online mob is going to scare politicians. The relationship between the online industries and politics and government is being called into question all over the world now, and it's not just piracy -- it's taxation, privacy, censorship, all sorts of things. There is nervousness in the air, and the music business is a small part of the overall thing. Those corporations are extremely powerful, and I hope in the future they will observe their responsibilities to the creators of the content.

**Any regrets in raising your head above the parapet?**

No, not at all. Because what I was saying I wasn't saying on behalf of U2, and I tried to make that very clear. Not that I have a mandate or anything, but I was speaking on behalf of all writers, all performers, all labels, all publishers. The damage was being done to all of them, not just my clients. That's no reason not to make the case, just because I have successful clients.

**What was behind the decision to step back from managing U2, and the band's signing Guy Oseary and moving to Live Nation's artist management division?**

I'm 62, and I did not feel like doing the next tour. As you have observed, I've been to pretty well every show U2 have ever performed, and I just did not want to continue doing that into my 60s. The rights to U2's music, their masters and their copyrights, have been, with difficulty and at some costs, completely retrieved. I had some equity participation in that, but the right people to sell that equity to were the band. That's really what has happened in this transaction: U2 have acquired the remaining rights, and they now own 100% of their masters and their copyrights.

**So you sold your piece, basically?**

Yes, and Live Nation were very helpful in supporting the transaction. They financed the transaction.

**What is the band's take on all of this?**

I'm not going to speak for them on it. They issued a statement that was very supportive and they have been completely supportive throughout this transaction. We are the best of friends. I'm delighted they chose Guy to take the reins. We've known him for a long time. He's a smart guy, and I wish them all the best. I will be, if you like, lurking in the background, always available to help if I am needed, but it's more of a back-seat role.

**That is a seismic shift in your day-to-day life.**

Yeah, it is, and I'm rather enjoying it, I have to say.

**What about the roles of your associates in Principle, like Susan Hunter, Trevor Bowen and Karyn Kaplan, going forward?**

Trevor and Susan are staying with me, because I have some other businesses I'm involved in. I'm an owner of the Film Studios in Ireland, and I'm involved in a number of restaurants in the United States with my old buddy Ken Freidman. He and I have been friends since the early '80s -- he was my first American friend, really. Karyn Kaplan is going to be working on the next campaign with Guy.

**There has to be some assessment as you step back. How do you feel about what you accomplished? Is it a sense of "job well done"?**

To some extent, yes. They're doing their best work ever. I've heard most of the new album, and it's absolutely amazing. They're creatively ambitious -- they really want to have hits and a successful record. They know as well as anyone else that their tours will be successful whether they have a big record or not, but they don't want to slip into that kind of heritage category of artist. So finding a new audience has always been very important to U2 with every record.

In that way they are as driven and creative as they ever were. Unlike a lot of other artists in our business, they didn't get fucked by bad deals -- they're in charge of their own destiny. They have the keys, they have the car, and they're planning to drive it forever, as far as I can tell.

**For a band so focused on touring, to have the most successful tour in history by every metric has to be satisfying. [U2's last tour is the highest-grossing, most attended tour ever, according to Billboard Boxscore.]**

Yeah, they love performing. You'll be amazed and impressed by the new tour, which they've been working on the design and concept throughout this record project. It will blow everyone away yet again. They're on fire.

**What would you like your legacy to be?**

Well, it's quite an honor to get this award from Billboard. I have great affection for Billboard. I've been reading Billboard for 40 years, and whenever somebody comes to work for me, I say to them one of the things you've got to do is read Billboard every week, because that's where the information is. In fact, now you've got to read Billboard every day.

Reading the trades is a very important part of the job if you're in this business, and I have always loved the business. I've enjoyed the business, the friends I've made in it, the things I've discovered. This trip to MIDEM at the end of January -- I'm a regular. I've been going to MIDEM for 30 years. I'm now in the "veteran" category, which is an honor. This award was given last year to Martin Mills, somebody I've admired greatly over the years. Before that it was Seymour Stein, a very old buddy of mine. So how could I say no?

\*\*\*\*\*  
\*\*\*\*\*

**Special thanks for contributions by:**

Barry Bergman, Steve Garvan, Steven Scharf, and compiler/editor Jack Bookbinder.

[WWW.MMFUS.COM](http://WWW.MMFUS.COM)