

## **A2IM ANNOUNCES HISTORIC AGREEMENT WITH COMMERCIAL RADIO TO INSTITUTE "RULES OF ENGAGEMENT" & AN "INDIE MUSIC CONTENT COMMITMENT"**

### **CBS, Citadel, Clear Channel & Entercom Agree to a Plan to Energize Relationships With Independent Music Community**

(For Immediate Release: March 7, 2007) – New York , NY – The American Association of Independent Music (A2IM) has reached an historic understanding in principle with CBS, Citadel, Clear Channel and Entercom. This voluntary arrangement between the radio groups and A2IM establishes not only a set of Radio Rules of Engagement between the independent record labels and commercial radio but also, for the first time in the United States, these radio groups have agreed to an Independent Music Content Commitment that equates to 8,400 half-hour blocks of airtime dedicated to Independent music. This is a first-of-its-kind effort from corporate radio groups to acknowledge the strength and importance of the independent music sector's 30% marketshare. This is the result of a series of meetings and exchanges with first the FCC, and later the radio groups, initiated in June 2006 by A2IM - the trade org that represents the interests of the independent music sector in the U.S. (Radio Rules of Engagement follow below).

Details on the roll-out of the independent music campaign will be forthcoming as each radio group identifies the way in which to best serve their respective markets. This monumental effort received active support and endorsement from the Future of Music Coalition (FMC), American Federation of Television and Radio Artists (AFTRA), American Federation of Independent Music (AFIM), Recording Artists Coalition (RAC), the Music Managers' Forum (MMF) and the National Academy of Recording Arts & Sciences (NARAS) in an example of the music community rallying its voice to benefit all its members.

"We have taken a free-market approach to fixing an imbalance in the marketplace - a self-correction without government interference," says Peter Gordon, A2IM board member and lead negotiator in this matter. "The independent sector is vibrant and the radio group has exhibited a forward thinking approach by supporting new ideas in a climate of uncertainty. We have emerged from a truly remarkable negotiation where both sides have been motivated to do the right things for the right reasons to benefit the listeners. This radio group is embracing a creative solution to a difficult problem to the benefit of all and they should be commended."

In June of 2006, following the first of the "payola" settlements reached by then-Attorney General of New York, Eliot Spitzer and the major record labels, A2IM urged FCC Commissioners to consider the implementation of acknowledged and transparent practices to define the parameters of the relationships between record labels and radio. FCC Commissioner Jonathan Adelstein met with A2IM, then paired them with the radio group to explore ways to work together. The radio consortium and A2IM reached agreement on a set of "Radio Rules of Engagement," the main tenants of which focus on equal access and transparency. As talks progressed, the concept of "indie-dedicated programming" emerged as the first step towards addressing the relative absence of independent music currently on the airwaves in proportion to the independent marketshare. Lead by CBS and endorsed by all the radio groups, this seven million dollar content commitment is a good-faith demonstration of radio's commitment to this music.

### **RADIO RULES OF ENGAGEMENT**

1. Radio should establish, and appropriately publicize, clear and non-discriminatory procedures for music submissions and access to radio station music programmers (to the extent any such access is provided).
2. Radio should not be allowed to sell or barter access to its music programmers.
3. Radio should not form relationships with any music companies, independent promotion companies, or other parties which provide for exclusive access to radio station music programmers, nor should Radio restrict access to its music programmers to those who contribute promotional consideration.
4. Radio should not exclude independent promotion companies, as a class, from gaining access to music programmers except for independent promotion companies which are compensated based upon playlist additions or increased spins.
5. Radio shall not ask for or expect, either directly or indirectly, any quid pro quo to play music, including but not limited to:
  - a. Any promotional considerations including cash and prizes
  - b. Local concert appearances
  - c. Exclusive relationships with recording artists
6. Radio (individual stations or their parent companies) shall not act in a coercive manner, make or imply threats to withhold or reduce airplay or make or imply promises to commence or increase airplay, in connection with the solicitation of any promotional consideration, or any promotional consideration promised or given to competitor stations, including concert appearances and artist "exclusives."
7. Disclosure: All cash and non-cash consideration (above a reasonable threshold) made by labels, artists, or their agents shall be confirmed in writing and shall be subject to internal tracking controls, with the information gathered as a result of these controls available to the FCC upon its request.
8. Contest prize recipients to the extent permitted by applicable law must be identified publicly, and confirmed as not employees of the radio station or members of their immediate families or households.

This proposal was drafted with input from music companies, radio programmers and promotion executives. It has also been endorsed by the following organizations to date:

- American Federation of Musicians (AFofM)
- American Federation of Television and Radio Artists (AFTRA)
- Future of Music Coalition (FMC)
- Music Managers' Forum (MMF)
- National Association of Recording Arts & Sciences (NARAS)
- Recording Artists Coalition (RAC)

**ABOUT A2IM** A2IM seeks to serve the indie music community as a unified voice representing a sector that comprises over 30% of the music industry's market share in the US . The organization represents the Independents' interests in the marketplace, in the media, on Capitol Hill, and as part of the global music community. A2IM is headquartered in New York , and seeks to establish a legislative presence in Washington , DC . The organization's board of directors is comprise of the following: Concord Music Group President Glen Barros; The Beggars Group CEO Lesley Bleakley; Thirsty Ear President Peter

Gordon; TVT Records president Steve Gottlieb; Roadrunner Records Executive Vice President Douglas Keogh; Bar/None owner Glenn Morrow; Lookout Records co-owner Molly Neuman; Tommy Boy Records Entertainment founder and CEO Tom Silverman; Amaechi Uzoigwe A2IM Board Chair and co-founder Definitive Jux.