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Little Richard will draw on his years of experience for his keynote speech at the South by Southwest Music Conference.

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Missy Elliott will search for potential hip-hop stars through a new talent-contest program on UPN.

Meet The Critics
Just Who The Hell Do They Think They Are?

BY CARLA HAY
NEW YORK—When these music critics make a point, you can bet that at least 15 million people get it.

They are the pop-music writers at the nation's 20 largest daily newspapers. By virtue of their jobs, they arguably have more influence on musical tastes than just about anyone else in the country.

But, oddly enough, they are largely unknown outside their home markets, which is all the more reason their names should be in every music industry insider's Rolodex.

(Continued on page 88)

Bell Tolls For Arista Records
Changes At RCA Group Augur Label Shakeup

BY GAIL MITCHELL
RCA Victor Group's rebirth as a stand-alone division of RCA Records is a harbinger of an impending massive reorganization at sister label Arista Records, according to sources.

Those sources confirm that most of the BMG North America label's 170 staffers will be let go. The downsized label would retain a small A&R and marketing staff but be placed

(Continued on page 87)

Industry: Senate Bill $#* &s!!

BY BILL HOLLAND
WASHINGTON, D.C.—Lobbyists representing recording artists and broadcasters have a new No. 1 priority—defeating a provision in the indecency bills passed March 9 by the Senate Commerce Committee and March 11 by the House.

The bills would give the Federal Communications Commission (FCC) the authority to fine recording artists, air talent and other individuals—such as listeners calling a station—up to $500,000 for knowingly uttering indecency.

(Continued on page 87)
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QUOTE OF THE WEEK

"Live entertainment is the last bastion of smell it, touch it, feel it... You can’t duplicate that, no matter how cool your computer is."

CLEAR CHANNEL ENTERTAINMENT'S BRIAN O'CONNELL

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Latin Labels Branch Out
New Services Add Revenue Streams

BY LEILA COBO
MIAMI—For many Latin independents, being a label no longer enough. Faced with declining sales, new and old companies alike are adding such services as management, booking, merchandise, and publishing to their label operations.

"I see it as the future of the business. It's the only way to survive," says Juan Hidalgo, president of longstanding indie J&N Records.

For the past two years, every artist signed to the label has also been signed to a management deal within the company. Other companies offering similarly integrated services include newcomers Ole and Megamusic and the more established Mock & Roll and Pina.

Further, Hidalgo says, with control over booking, promotion, and marketing, there are more opportunities to impact record sales.

J&N, which has offices in Miami and (Continued on page 89)

Ellis Sets Sony R&B Agenda

BY CHRISS MORRIS
Lisa Ellis, the newly named GM of Sony Urban Music, sees A&R and breaking developing acts as the thrust of her new role.

"The biggest focus is to find new talent," Ellis says. "That would be through getting some great A&R. Breaking new artists on a major level—would like to break one big hip-hop artist this year."

"In her newly created post, Ellis will oversee the urban music activities at Columbia Records, as well as urban-oriented projects from the Legacy catalog division or any other pertinent Sony Music operations."

Publicity, marketing and promotion of Sony's urban acts fall under her purview.

Since 2003, Ellis has served as senior VP of marketing and promotions at Sony Music, a previous was senior VP of R&B/rhythm-and-blues promotion, VP of national promotion and VP of crossover promotion at Columbia Records, which she joined in 1995.

Concurrent with Ellis' appointment, executive VP of urban music David McPherson has exited Sony.

McPherson was elevated to that position when Sony merged the Columbia and Epic R&B departments into one unit in the spring of 2003. (Continued on page 17)
Music Biz Regaining Its Luster
Symposium Attendees Put Confidence In Private Owners, Digital Sales

BY BRIAN GARRITY
and ED CHRISTMAN

NEW YORK—Although there is still caution, the investment community is once again viewing the music business as an opportunity.

That was the message shared by financial professionals, lawyers and industry executives attending the third annual Billboard Music & Money Symposium, held March 4 at the St. Regis Hotel here. (For photo coverage, see page 22.)

Most agreed that the worst is over for the struggling music business.

However, as investment money starts to slowly flow back into the industry — thanks largely to the growing promise of digital downloads and ring-tone sales — experts warn that treacherous times remain, as labels and publishers continue to come to grips with a changing business model and ongoing piracy.

“We've made significant progress,” said Harold Vogel, a leading media analyst and president of Vogel Capital Management.

“But we have not resolved or reduced piracy significantly around the world.”

That said, speakers and attendees were largely taking an optimistic perspective on the state of business.

John Frankenheimer, co-chairman of Loeb & Loeb, kicked off the opening panel this year’s event by pointing out that one year ago, many Music & Money attendees offered only pessimistic views on an industry that appeared to be in chaos because of piracy, a bloated infrastructure and poor A&R choices in supporting teen music, which appeared to have run its course.

By contrast, he noted that investors and executives have started to eye the industry as an opportunity again, with U.S. sales experiencing an uptick and valuations remaining somewhat depressed.

Investment firm Thomas H. Lee Partners was held up as the poster child of the trend. Scott Sperring, the firm’s managing director, delivered the symposium’s keynote address.

The timing could not have been better. The week of the symposium saw the completion of the acquisition of Warner Music Group for $2.6 billion by Thomas H. Lee Partners and fellow investors Bain Capital, Providence Equity Partners and Edgar Bronfman Jr.’s Lexa Partners.

Scott opened the door. “Now, more people will look at the industry,” said Jerry Gold, managing director of Gold International. “I suspect we will see a decent deal flow.”

The WMG deal may help rekindle interest in music investing, but any ensuing transactions are unlikely to be of similar size and scope.

Peter Hoffman, director of global asset-based finance, securities and principal transactions for Merrill Lynch, told symposium attendees that he expects to see more music-related structured finance deals within the next two years. However, he forecasts that most deals will be in the range of $50 million to $100 million.

Indeed, opportunities in the independent sector look promising, industry watchers say.

Terri Santos, partner and leader of KPMG Media and Entertainment Group, predicted that nonstrategic buyers will be attracted to small deals for publishing and master catalog assets.

“There’s growing interest in content aggregation by third parties,” she said.

GOING PRIVATE
As for the majors, experts say the WMG deal is pointing the way toward private ownership as an ideal scenario for music companies.

Sperring joked that WMG may now be private, “but we like to see weekly numbers.”

The difference, however, is that WMG is in the position of privately confronting problems for which investors in public companies would not be so forgiving, he explained.

Still, whether privately or publicly held, the major companies have made a (Continued on page 85)

In Oz, Mixed Views On Free Trade

BY CHRISTIE ELIEZER

SYDNEY—Even as the draft Free Trade Agreement (FTA) between the United States and Australia stirs debate in both markets, the music industry here is seeking continued government assistance to fund export initiatives. Industry insiders Down Under believe the FTA will provide greater opportunities than ever for Australia to export its music, musical equipment and music technology to the United States.

“Australia has less than 2% of the world music market, so the potential for growth through export earnings and import replacement is substantial—as long as there is government support,” says Paul Bodenich, chair of the Australian Music Industry Network.

AMIN represents the interests of the music industry associations from each of the six Australian states as well as the self-governing Northern Territory.

Although total music export figures are not produced by the Australian music industry, the government’s Bureau of Statistics estimates that mechanical royalties and licensing fees from overseas sales of recorded music in 2003 totaled $259.3 million Australian ($156.3 million), while exports of manufactured sound recordings were worth $65 million Australian ($50 million) at trade prices.

When U.S. and Australian trade officials began negotiating the FTA two years ago, the local industry was swift to express its concerns. Domestic repertoire accounted for only 18.7% of the $694.5 million Australian ($470 million) wholesale value of the Australian recorded music market in 2003, according to the Australian Record Industry Assn.

Industry executives were particularly worried that hard-lined policies aimed at helping developing acts, such as radio quotas for domestic repertoire, tour/recording subsidies and tax incentives, would be negotiated away in the name of equal trade.

Representations to negotiators by such music associations as AMIN, the Australasian Performing Right Assn. (APRA) and the Music Managers Forum (Continued on page 17)

Edel Moves On With New Business Model

BY EMMANUEL LEGRAND
and WOLFGANG SPAHR

HAMBURG—It's been a tough three years for German independent company Edel Music Group. But founder and chairman/CEO Michael Haentjes believes that crafting new business models and partnerships has eventually turned a corner.

"We’ve adapted to the size of the business," Haentjes says. "We no longer have big investments, we have reduced our losses, we are close to break-even now and we are moving on." On the verge of bankruptcy three years ago after years of uncontrolled expansion, Edel has posted net losses of 1.6 million euros (15.98 million) for the fiscal year ending Sept. 30, 2003, after a loss of 208 million euros (258.1 million) in 2001 and 15.8 million euros in 2002 (19.6 million). Meanwhile, revenue decreased to 138.1 million euros (171.4 million) from 160.7 million euros (198.4 million) in 2002.

Presenting Edel's financial results for 2003 ahead of the 2004 annual general meeting due to take place here in May, Haentjes says the company will report a turnover of 156.8 million euros (217.1 million) and a deficit of 3.4 million euros (4.4 million) for 2003.

Baur took radical measures to restructure the company and to cut bank debt from 191 million euros ($227 million) to 33 million euros ($40.9 million). Earnings before interest, taxes, depreciation and amortization (EBITDA) for 2003 were 6.2 million euros ($7.7 million) against a negative EBITDA of 1.2 million euros ($1.4 million) in the previous year. Operating cash flow reached 2.5 million euros ($3.1 million) in 2003, against a loss of 20.7 million euros ($25.7 million) the previous year.

“We decided to put a regional focus on Europe and discard loss-making operations to prevent further damage of the company,” Baur says. Several operations, including the Finnish company Jorma Media, have been sold off.

The company now has 110 employees, compared to 300 before restructuring. Baur took over as CEO July 1, 2003.

(Continued on page 89)
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editora: WB Music Corp.

Canzones Ganadoras

Accé Entre Nos
compositor: Martin Solano Arias (SACM)
editora: SACM Latin Copyright

Afortunado
compositor: Joan Sebastian
editora: Vander Music

Ay! Papachito
compositor: Alicia Villarrea
editora: WB Music Corp.

Coser A Besos
compositor: Adolfo Angel Alba (SACM)
editora: SACM Latin Copyright

De Mi Y De Todos Los Mundos
compositor: Enrique "Funk" Guzmán (SACM)
editoras: Fonseca Y DBM, Warner Bros.

Entro El Dolor Y La Locura
compositor: Gustavo Santander
editoras: Famous Music Corporation, Sentadere Music

Hoy Emplea Mi Tristeza
compositor: Juan Sebastian
editora: Vander Music

Niña Amada Mía
compositor: Jorge González Massias (SACM)
editora: SACM Latin Copyright

Nomás Por Tu Celosa
compositor: Salvador Serna Del Rio (SACM)
editora: Vander Music

Te Vas Amor
compositor: Almir Vega (SACM)
editora: Universal Music Publishing

Un Vez Mas
compositor: Juan Gabriel
editoras: Alma Music, BMG Songs, Inc.

Vete Ya
compositor: Raúl Enrique Bejarano (SACM)
editora: SACM Latin Copyright

Y Como Quieres Que Te Quedes
compositor: Fabián González (SGAE)
editora: Sony/ATV Discos Music Publishing, LLC

REGIONAL MEXICANO

Canzones Ganadoras

Afortunado
compositor: Joan Sebastian
editora: Vander Music

Amame
compositor: Carlos Darío Moscatelli
editoras: CAP Music Songs, EMI April Music

Antes
compositor: Obie Bermudez
editoras: EMI April Music

Así Es La Vida
compositor: Manuel Benito
editoras: Musicas de los Philippinos, Sony/ATV Discos Music Publishing, LLC

Atrévete
compositor: Alejandro Enrique Campos
editoras: Universal Music Publishing

Canción del Año
El Deseo
El Dolor De Tu Presencia
Si No Estás
Te Llamé
Te Vas
Vive La Vida
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Dónde Estará Mi Primavera
composer: Marco Antonio Solis
editora: Coluna, Inc.

El Problema
composer: Ricardo Arjona (SGAE)
eeditora: Sony/ATV Discos Music Publishing, LLC

Herida Mortal
composer: Julio Reyes
editora: Sony/ATV Discos Music Publishing, LLC

No Tengo Dinero
composer: Juan Gabriel
editoras: Alma Musical BMG Songs, Inc.

Quién
composers: Daniel Botancourt Ricardo Montane (SGAE)
editoras: EMI April Music Famous Music Santander Melodies

SI No Estás
composers: Roberto Livi Rudy Pérez

SI Tu Dijeron
composer: Victor Manuelle
editora: La Editora de Música PMC

Tejano Mi Amor
Composers: Brett James Luis Gomez Escobar (SGAE)
Editora: Terace Music Sony/ATV Cross Keys

Tu Amor O Tu Desprecio
composer: Marco Antonio Solis
editora: Crisma, Inc.

Un Sigo Sin Ti
composer: Franco De Vita (SGAE)
editora: WB Music Corp

CANCION ROCK DEL AÑO

Eres Mi Religión
composer: José Fernando Olvera Sierra
editora: EMI April Music

CANCION HIP-HOP/RAPI REGGAETON DEL AÑO

Masacamba A/k/a Al Natural
composer: Tego Calderón
editora: Tego Calderón Publishing

GRUPO INDEPENDIENTE DEL AÑO

Yerba Buena

TROPICAL

CANCIONES GANADORAS

Cuando Tu No Estás
composer: Mikel Perfecto
editoras: Aarkas Music Publishing Funky Town Music

El Torto Que No Te Olvidó
composer: Victor Manuelle
editora: VMR Publishing

En Nombre De los Dos
composer: Omar Alfanno

La Salsa Vive
composers: Sergio George Jorge Luis Piloto
editoras: 2Pac Music Publisher Sir George Music Universal Music Publishing WB Music Corp.

Loca Conmigo
composer: Wason Bracho
editora: Premium Latin Publishing

Mi Libertad
composer: Eduardo Cantro Pedro Azael Talmoding
editora: Universal Music Publishing

Poco Hombre
composer: Victor Manuelle
editora: VMR Publishing

Que Levante La Mano
composer: Alejandro Vezzani (SGAE)
editora: Univision Songs

Rio Y Lloia
composer: Sergio George
editoras: Sir George Music WB Music Corp.

Se Nos Perdió El Amor
composer: Rafael Monclos De Jesús
editora: La Editora De Música PMC

Siento
composer: Vladimir Dotel
editoras: BMG Songs, Inc. Vialesco Publishing

Traficón
composer: Nicolas Tovar
editora: Estefan Music Publishing

Un Montón De Estrellas
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New Label Targets Christian Budget Biz

BY DEBORAH EVANS PRICE

NASHVILLE—Veteran executive Hugh Robertson is launching a new label to address what he says is lacking in the Christian music marketplace.

Waterfront Records, a division of marketing/management firm Waterfront Entertainment, is launching to focus on developing concept, compilation and value-priced projects. The venture is based in Franklin, Tenn.

"As the industry has been changing and downsizing, pretty much every one of the major Christian labels has eliminated their concept or special market development divisions," Robertson says. "The industry isn't able to or wanting to pay attention to this category of music, yet it's been a viable piece of business."

Robertson sees the industry being more song-driven and consumers looking for lower-priced product. "It looks like there's an opportunity here to serve a market that's being underserved," he says.


Robertson has hired Josh Petersen as Waterfront Records product manager and Stephanie Jackson as director of business affairs. Robertson is sole owner of the new company.

Nashville Assns. Feud Over Acronym

BY DEBORAH EVANS PRICE

The Country Music Assn. and the Christian Country Music Assn. continue to do battle in U.S. District Court in Nashville over the latter's choice of acronym.

In the most recent skirmish, the court ruled that the CCMA had violated a preliminary injunction issued in October 2003. That action prohibited the organization from using its acronym, finding that "CCMA" was too similar to the CMA's acronym, creating confusion.

CCMA had begun using CCA, for Christian Country Assn., a name that the trade group's CEO Gene Higgins trademarked in 1997. But the court ruled Feb. 12 that this, too, violates the preliminary injunction. Court documents state that "the new logo utilized by the defendants breaches the Safe Distance Rule. This court found that the letters 'C-C-A' not only created a likelihood of confusion with 'C-M-A' but [were] possibly even more confusing."

Higgins says he has tried to comply with the court rulings and did not think using CCA would incite further action.

"I thought that [CCA] was a good acronym," he says. "The CMA came back and put a contempt of court [charge] on me that I can't use that [because] it was too much like the CMA (acronym) again."

"Their [original] argument in court was that the CMA initials were in our acronym and that's where people got us confused, because those three initials were together," Higgins says. "It's unconstitutional for anyone to say we can't have an acronym. No one in a hundred years could look at 'CCA' and think it's 'CMA.'"

CCMA representatives see the new acronym as still being likely to create confusion.

"CCMA regrets having to take this legal action," executive director Ed Benson says. "We've tried to work with our friends at the CCMA to try to suggest to Gene Higgins that he use his organization's full name in order to prevent confusion among consumers and the media between the annual awards shows."

The disagreement between the two organizations began 10 years ago. Benson says the CMA began writing letters to Higgins in 1994 asking him to stop using the acronym CCMA because "it's too close to our name and our acronym."

The most recent developments in this case, Higgins' attorney Randall Burton has filed a defendant's "motion for reconsideration," asking the court to reverse its most recent decision.

New Faces Among ACM Noms

BY PHYLLIS STARK

NASHVILLE—Providing evidence of the country format's recent efforts to diversify its appeal and expand its audience in the face of shrinking albums sales, Jimmy Buffett, Hoyt Lewis and James Taylor are among the artists scoring their first nominations in the Academy of Country Music (ACM) Awards.

All three are nominated in the vocal event category for collaborations with country acts. Buffett actually earned four nominations for his duet with Alan Jackson, "It's Five O'Clock Somewhere," which is also nominated in the single record, song and video categories.

Jackson, the year's top contender, (Continued on page 89)
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High-Tech Answer To Piracy?

The record industry's war against the Napster-to-peer file sharing has never been about the technology. It's been about how the technology is being used to swap songs in violation of U.S. copyright laws.

Back in the day when Napster was the prevailing system, there was a clear connection between the illegal activity and the file-swapping service. That's because Napster operated a central server that housed the music files, making it complicit in the illegal activity.

Now songs are no longer housed on a central server. They remain on the computers of individual users. The file-sharing service merely provides a way to link up millions of computers on the Internet so that those users can share copyrighted songs.

To date, the services have successfully defended their operations in court by claiming that they have no way of controlling what gets shared over their networks. In effect, the technology has been redesigned to get around the prevailing federal law.

But just as file-sharing companies have used technology to avoid complicity, other technology companies have come up with their own software that now turns their defense on its head. Leading the pack is a company called Audible Magic, which has been written up in The New York Times, among other publications.

The company has built a digital database of 4 million songs and has developed software that can recognize the digital audio files of those songs. In effect, such audio files are like fingerprints.

Since no two songs are alike, no two audio files are the same.

The technology has been redesigned to get around the prevailing federal law.

That capability, it's a snap to block illegal file swapping.

The company and the Recording Industry Assn. of America have been making the rounds in Washington, D.C., to demonstrate the product, and some universities have already begun looking at it to curb illegal file sharing over their campus networks.

If Audible Magic works as well as its developers claim, it changes the P2P debate considerably. For their part, the file-sharing services asked the music industry and Audible Magic March 11 to make the software available for independent testing. That's a sound move. But don't expect the services to adopt the technology if it proves to work as claimed. As one expert told The New York Times, "It destroys their business model."

Indeed, such file-sharing companies as Kazaa have built their business model on illegal file sharing. Take that away, and traffic would fall dramatically. The only way to make up that volume would be through legal music trading, perhaps based on a licensing deal.

It makes perfect sense. But don't hold your breath waiting for that to happen.

For more information, visit www.billboard.com.
A s an active musician for more than 45 years, I can say that there is no more tantalizing and exciting a question than when a singer or guitarist asks, "Wanna join our band?"

It's always a great moment. But when the singer is Elvis Presley and the musician is drummer D.J. Fontana, well—that's the stuff rock'n'roll legends are made of.

Having myself been in the position of a fortuitous first meeting with my future E Street bandmates, the importance of the events of Oct. 16, 1954, strike home.

That was the date of the historic first meeting between Presley and Fontana, his original and longtime drummer.

Of course, as millions of Elvis fans around the world are aware, guitarists Scotty Moore and bassist Bill Black were with Elvis that evening when their struggling trio was booked to debut on the famous "Louisiana Hayride" radio show.

The organizers, the audience, the other performers on the show—in fact, anyone who was there that night or listening in at home—didn't quite know what to make of Elvis.

Backed only by a guitar and bass fiddle, it wasn't country, it wasn't hillbilly, it sounded nothing like Western music and it certainly wasn't bluegrass. Whatever it was, it was different and not complete.

Elvis asked D.J., the house drummer at the "Hayride," to sit in. When D.J. laid into that big backbeat, the world exploded. Leon Helm, the legendary drummer/singer of the Band, remembers seeing this new Memphis band play at a high school dance in Marianna, Ark. "With D.J. planting the beat, the music suddenly had some architecture," he says.

Can you imagine? A high school dance?

From that fateful autumn day in 1954, D.J. Fontana, along with Elvis, Scotty and Bill, cut a path unequalled in rock'n'roll history. To paraphrase Sir Winston Churchill: "Never have so few rocked so hard for so many.

For 50 years, the musical trail blazed by these pioneers has inspired generations of musicians and rock'n'roll music fans. D.J. himself performed on close to 500 Elvis cuts.

To have played drums on "Jailhouse Rock" alone would seem to have been enough to include the man in anyone's hall of fame.

With this history in mind (and only learning later that Bill Black also had not, in fact, been inducted into the Hall) four drummers, mightily influenced by D.J. Fontana's powerful big beat, approached—formally and in a timely fashion—the Rock and Roll Hall of Fame Sideman Nominating Committee about Fontana's induction.

Six weeks later, a terse form letter from the Rock Hall left us in no doubt that our proposal had been met unenthusiastically. (See letters, this page.)

On March 15, the Rock and Roll Hall of Fame directors and their guests will congregate in New York to induct the Hall of Fame class of 2004.

As indicated in the Rock Hall's letter of Dec. 4, 2003, the sideman category has been eliminated for this year.

For us and the many music fans interested in the seminal efforts of those individuals who made their marks yet did not necessarily become household names, this surprising decision of the Rock Hall Committee is disappointing.

Presley was among the first Hall of Fame inductees in 1986. Scotty Moore was included in the first class of so-called "sidemen" inducted. In that light, D.J.'s and Bill's current status is simply unjust.

Echoing the statements contained in letters and petitions signed by thousands of fans and received by the Hall this past autumn, Ringo Starr, Charlie Watts, Leon Helm and myself believe these specific exclusions will not be satisfactorily addressed until such time as D.J. Fontana and Bill Black join their bandmates in the Rock and Roll Hall of Fame.

Only then, with their names inscribed in this place of honor alongside those of Elvis Presley and Scotty Moore, can we and the Rock and Roll Hall of Fame completely celebrate the music and the history that D.J. Fontana and bassist Bill Black helped create.

Weinberg is the longtime drummer with Bruce Springsteen's E Street Band and music director for "Late Night With Conan O'Brien."
Good Golly, Little Richard To Keynote At SXSW

Little Richard will deliver the keynote speech at the South by Southwest Music Conference (SXSW) March 18 in Austin, and he has no shortage of material to draw upon. “Oh, my God, I have 71 years of experience,” says Richard, who turns 72 in December. “I can let [attendees] know it’s going to be a struggle. A lot of struggles. A lot of stones, a lot of typhoons, a lot of earthquakes, but you have to continue . . . Don’t think it’s going to happen in an hour. The struggle is supposed to enhance you so when you write your songs, you have something to write about.”

Richard also plans to address the art of the deal, having fallen victim to quite a few bad ones during his career. “A contract is not a letter to your mother or your girlfriend or your teacher,” he says. “You need someone who knows about contracts. You can get so [busy] with the theatrical side that you don’t have anything left and you can’t buy a doughnut or a cup of coffee. That happened to me.”

Richard was able to bounce back, but he learned a valuable lesson: “You should put your signature on everything. You never get too busy to sign checks, because while you’re getting carried away performing, someone else may be getting carried away with your money.”

Richard also expects to share some tales about those he has crossed paths with during his decades-long career in show business. “Jimi Hendrix was my guitarist when he was 18. I was the first famous person the Beatles ever met. I took them with me to the Star Club in Hamburg. Mick Jagger—I’m the first famous person that he ever met.”

Richard still plays about five shows per month, and he will perform at SXSW 2002, Norah Jones’ subsequent success defied the criteria that: A&R reps rely on while attending the confab.

SXSW Always Draws A Crowd

This Year’s Will Be Bigger

BY SUSANNE AULT

Despite—or perhaps because of—continued turbulence in the music industry, the highest number of attendees in years is headed to Austin for the South by Southwest Music Conference (SXSW), set for March 17-21.

The confab’s creative boom during the past couple of years—Norah Jones and the Darkness broke big after performing at showcases in 2002 and 2003, respectively—is spurring conference registrants to think creatively about doing business.

Actual artist signings are traditionally rare at SXSW and will be especially so in the current atmosphere, conference-goers believe. But attendees say that key conversations can be struck with attractive unsigned acts.

(Continued on page 16)

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SXSW
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acts, evaluations can be made on buzz bands and partnerships can be fortified at the event.
Rolan Swenson, managing director of SXSW, is projecting that 7,000 people will make the trek to Austin this year. That is 800 more than last year and will be the best attendance count since 2000.
A total of 1,100 bands will be showcasing, which required organizers to add eight new SXSW venues to accommodate the additional 120 acts than were in 2003.

DEALS WELCOME, BUT RARE
“Making deals on the spot rarely happens, but relationships are built, introductions are made and the process begins,” Swenson says. “That’s an ongoing part of SXSW.”
Chris Castle, an attorney at Akin, Gump, Strauss, Hauer and Feld, says he would obviously be open to any major-label offers made to his indie clients, including Endochine and Fallsafe, that are showcasing this year.

“Getting a band signed is not the easiest thing in the world now. People do showcase to get signed. But it is education for labels and booking agents to see new artists,” Castle says. “[Even] if there may not be a deal on the cocktail napkin.”

About 30% of the showcasing acts are unsigned, about 50% are on indie labels and 15% to 19% are major-label acts, Swenson says.
Andy Karp, senior VP of A&R at Atlantic Records, says he normally uses SXSW to network with people and assess each year’s crop of buzz bands.
A majority of the A&R people are aware of most of the acts and have already started negotiations with the ones they like—sometimes well before the conference hits, he admits.

“But, I go to rule out lots of bands,” explains Karp, who did sign one act, New American Shame, at SXSW in the late 1990s. “If you wait for SXSW to pursue a band, you’ll have a bit of a derby on your hands.”

Perry Watts-Russell, senior VP of A&R at Warner Bros. Records and another SXSW vet, has never signed an act at the conference but says he definitely came out of recent SXSW tests a wiser man.

“Two of the most successful acts over the last couple of years were Norah Jones and the Darkness. [They] throw out normal criteria in the decision-making process in the A&R world,” he says. Jones was deemed too soft-spoken for a market largely driven by harder acts at the time. And “most of the A&R world felt that the Darkness would not suit American tastes,” Watts-Russell adds.

PLENTY OF AGENDAS AT CONFAB
While talk of signing freebies still swirled at financially strapped major labels, Watts-Russell says that “the job never changes. You’re out to find artists that blow you away, no matter what the climate of the industry is. Any time you walk into a club in LA, New York or SXSW, you always go hoping to find the new Beatles or Bob Dylan—hope springs eternal in A&R.”

David Levine, an agent at William Morris Agency, recalls wanting to see Polyphonic Spree at the 2003 SXSW because he had “a need to stay in touch with what’s out there and new.” The Hollywood Records band, slated to play again at this year’s event, is booked by Little Big Man.

Levine says that everyone comes to SXSW with different agendas, “where some people just go to hang out or see it as a vacation. But some do see it as a true opportunity to see new bands.”

Though WMA has signed only a few acts at SXSW over the years, the agency typically keeps itself busy, he says. “We’ll make a list of the bands that don’t have agents. We’ll send multiple people to showcases.”

INTERNATIONAL PRESENCE
Because of the United States’ favorable reception to British import the Darkness—coupled by the weak American dollar—international participation at SXSW is expected to leap this year.
Current projections from SXSW organizers estimate a 20% jump in foreign attendees largely from Europe, Australia and Japan. International showcasing acts will number 68 more than last year.
Also, BBC Radio is covering SXSW for the first time, and “they’re sending quite a force—about 30 people—and they are set to produce 15 hours of programming for SXSW,” Swenson says.

This beheld international contingent excites ASCAP and BMI. Foreign writers have the option of linking with either society on a per composition basis, according to executives at the performing right organizations, which means the chance to meet with many international attendees face to face this year can prove invaluable.

“On the international side, it has been growing this year… the industry has seen so much income from international acts. [English, Australian and Canadian] writers are coming, and SXSW will be an easy place for us to get recognized by them,” says Todd Brabec, executive VP of memberships at ASCAP. “It’s very important to keep relationships up.”

ASCAP and BMI will also be rolling out showcases full of their own acts, signed and unsigned. Brabec has high hopes for the United Kingdom’s Goldrush, an unsigned ASCAP act playing March 17 at the Hard Rock Cafe.


“Most of them are up and coming and could [possibly] be next year’s great talent,” Feldman says of BMI showcasing acts. “We collect and distribute royalties, but we are also a support system to help people get a leg up in the business.”

Many of those attending SXSW believe indie record companies could reap the benefits in 2004.

“There was a time when we weren’t sure if an A&R [executive] would be at the label by the time [your album] was delivered,” attorney Castle says. “Now you’re not sure if the label will be there. So this is a great time for independent labels. Artists are going to be a lot more interested in being on an indie label than they were before.”

Swenson notes that regardless of whether a band is eyeing a major- or indie-label deal, “everyone is here for the exposure. What will most likely happen is they’ll be seen by someone who will give them a show or put them on a festival, seen by a writer who may review them or seen by a lawyer or manager who might want to work with them. It’s not big news. But that’s the real stuff that happens.”
Diesel
Continued from page 5

“For about the last seven years, we’ve been closely involved with music but largely with independent music,” Diesel U.K. marketing manager Daniel Barton says. “We’ve been largely the champion of the underdog. The inspiration for this campaign comes from the crazy types at Diesel. It’s just a whole lot of fun, really!”

WM contributes A&R, pressing and manufacturing to the campaign, selling the product to Diesel as a “premium” deal. “Not only is it a great business deal, but it presents a great opportunity to bring music to consumers in fresh, new ways,” Stellwagon notes. The campaign continues through April.

Various WMI artists will be asked to participate at branded parties in select cities. Diesel stores will also invite guest DJs to play a selection of the “embarrassing” collections during special in-store events. All the records Diesel collects will be auctioned on eBay, with the proceeds going to a nominated charity.

“We’ve been quite proactive over the years in working with the underground music scene,” a Diesel spokesperson says. “It’s a natural progression for Diesel to be getting involved in music-related campaigns.”

The clothing brand has gradually established footholds with the music industry through its international Diesel-U-Music unsigned talent search, now in its fourth year. Established in the United Kingdom, that project has extended to the United States, Italy, Japan, the Netherlands, Belgium and Switzerland, with more markets to follow next year, according to the spokesperson.

“The music industry has historically flourished because of well-chosen collaborations,” Music Managers Forum general secretary James Sellar observes of the London-based trade body’s partnership in the Diesel-U-Music project for the third year. Vital Distribution and labels Wall of Sound and Fierce Panda are among the other firms lending support to the British component of that initiative.

Copyright
Continued from page 6

makers to convert the Section 115 license into a blanket license to cover the use of all music compositions.

“Today... online services require hundreds of thousands or even a million licenses simultaneously, as they compete” against each other and against online black markets “to offer consumers the most comprehensive music selection possible,” he said. “Only with a blanket license can services be confident of non-infringing access to all available music.”

DMCA also believes that copies of tunes cached in computers should not be viewed as a distributed copy and may not require a royalty payment. Potter compared cached copies to the physical glass master copies—not subject to a license—used to make CDs.

National Music Publishers’ Assn. counsel Carey R. Ramos said there is no need to modernize the provision. “The basic policies set forth in Section 115 remain wise and reasonable,” he testified.

Potter also called for a “safe harbor” provision in a revised Section 115 that would allow users who can’t track down the copyright owner of a work to pay into a fund. He also sees the need for an electronic database that would identify copyright owners of musical compositions.

Cary Sherman, president of the Recording Industry Assn. of America, testified that music publishers should not be allowed to charge for differently encoded versions of the same piece of music on so-called “multi-session” discs that in essence only allow consumers to play the tune on the platform they own.

Sherman also said that because of new varying music services, Section 115 royalty rates in the future may have to be calculated through an adjustable percentage rate rather than a cents-per-tune rate.

Ellis
Continued from page 5

Ellis reports to Sony Music U.S. president Don Fenner. He said in a statement: “I couldn’t be more confident that [Ellis] is the right person to help further expand our presence in urban music.”

Reflecting her long background in crossover promotion, Ellis says she will necessarily take a “big-picture view” of her artists’ potential.

“However, that doesn’t mean that every artist is supposed to cross over,” she adds. “You have to respect their roots, respect who their audience is.

“Black radio in particular is exceptionally important to nurture and create a true fan base and a true audience for many of these artists,” Ellis says. “To sit there and discredit it, many times by letting crossover overshadow it, is sometimes wrong, although I understand and appreciate the crossover process probably as much as anyone.”

Ellis identifies Amerie, Vivian Green and Lil’ Flip as developing artists that will receive special attention from Sony Urban Music.

She says that “marquee projects” from established stars Destiny’s Child, Lauryn Hill, Maxwell and Nas are anticipated for the fall of this year.

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For David Phelps, signing with Word Records feels almost like a homecoming. Phelps, whose new album “Revelation” debuted at No. 12 on the Billboard Top Christian Albums chart, says he owes his breakthrough in Christian music to Word staffers, who offered encouragement and direction after he moved to Nashville from his native Texas.

“I’ve always dreamed of being with Word,” says Phelps, who is also a member of Southern gospel group the Gaither Vocal Band. “When I first came to town, I had gone to different labels. When I met with Word, they were interested in working something out.” Then someone mentioned that the Gaither Vocal Band was looking for a tenor. Phelps was a longtime fan of group founder Bill Gaither and his quartet. Word execs helped arrange an audition and even offered use of their studio for Phelps to record a demo tape of Gaither songs. Thus began an acclaimed career as part of Southern gospel’s premier group, as well as tremendous exposure through the series of “Homecoming” concerts that have spawned a top-selling line of CD and DVD/HS product.

However, Phelps never totally abandoned his solo ambitions. In 2000, he released “Joy, Joy” through Spring Hill Music Group and followed with a self-titled album in 2001 that netted him a Gospel Music Assn. Dove Award nomination in the male vocalist of the year category. Phelps sees those first two records as a bridge to “Revelation.”

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“I have fans in the Gaither camp that are just so loyal, and I’m so grateful for it,” he says. “One of the things we have to think of when I’m doing a solo record is to not alienate those people stylistically. I wanted to show everybody artistically there’s another part of who I am, but not take a huge leap because I didn’t want to lose that.” (Continued on page 19)
Higher Ground
Continued from page 18

fan base. I think that we've done that. If I had done this record first, it might have been seen as a big departure, but now this record seems logical."

"Revelation" showcases not only Phelps' spectacular tenor but also his songwriting abilities. He penned "Perdoname Dios (Pardon Me God)" and co-wrote with such noted tunesmiths as Cindy Morgan on "Just As I Am" and Reggie Hamm on "Satisfaction." Phelps wanted to record songs that would define him as an artist in the way the songs of fellow artists Steven Curtis Chapman and Michael W. Smiith have done for them.

"My goal is to come up with songs that can communicate to people that there is hope, that God loves us," he adds. "The lyric on 'Break Free' says what I'm out to say. It starts out, 'Forget what you've heard about Jesus if it doesn't begin and end with love.' It's my favorite line of the whole record."

SESAC HONORS: Songwriter/producer Peter Kipley was named SESAC's 2003 Christian songwriter of the year during a March 2 awards dinner at Nashville's Acorn restaurant. Kipley's "Word of God Speak," recorded by MercyMe, dominated the Christian radio airwaves in 2003. The Dallas native also penned MercyMe's "Spoken For."

Wordspring Music, a division of Word Music Publishing, and Kipley's own publishing company, Songs From the Indigo Room, were named SESAC's 2003 Christian publishers of the year. Steve Taylor, Regie Hamm and Daily Planet's Jesse Butterworth were among the other writers honored during the evening's festivities. For a complete list of winners, visit billboard.biz.

NEW GVB MEMBER: Marshall Hall has been tapped as the new baritone singer for the Gaither Vocal Band. Hall fills the vacancy left when Russ Taff exited last month to resume his solo career. A native of Lexington, Ky., Hall is already a familiar face to Gaither fans, as he has been performing regularly at "Homecoming" concerts and featured on related products. As a songwriter, Hall has cuts to his credit by Point of Grace, Salvador and Andy Denton, as well as cuts on Gaither's "Build a Bridge" and "God Bless America" videos.
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The Beat

Continued from page 15

SXSW, "I still love performing," he says. "It's a joy to see the young people, the old people, the rich and poor, black and white. They get a sense of belonging and encouragement." An influence on a tremendous number of artists, including Prince and Michael Jackson, Richard keeps up with the current music scene. "I like Alicia Keys, I think she's very gifted. I like Usher, I like Christina Aguilera. I think she's a fantastic singer, I like Justin [Timberlake]."

On Feb. 24, Epic/Legacy released "Get Down With It: The Okeh Sessions," the complete recordings of Richard's time with Okeh in the mid-'60s. But Richard says he has no desire to record new material. "I've been offered to do recordings, but I figure if it ain't broke, don't fix it. I'm happy with the legacy the way it is."

COMING ROUND AGAIN: Carole Bayer Sager and Carly Simon are writing together, Bayer Sager tells Billboard. Of course, the two had a big hit with "Nobody Does It Better," which Simon sang for the 1977 James Bond film "The Spy Who Loved Me," but that song was written by Bayer Sager and Marvin Hamlisch.

The pair have written about six songs together, including two that Bayer Sager believes will appear in "My Little Black Book," a film starring Britney Murphy and Kathy Bates.

The one that will surely have tongues wagging is a song called "Walk Away," the first song Bayer Sager has written with Burt Bacharach since their divorce in 1991.

"Carly and I have about six songs, so I'm trying to convince Carly to do her own record. She sounds so great, as good as ever. Bayer Sager says. Other co-writers with Simon and Bayer Sager include Britney Spears choreographer Wade Robson, David Foster and Babyface.

GIVING PROPS: Cassidy, who's experiencing success with "Hotel," which is No. 7 on the Hot R&B/ Hip-Hop Singles & Tracks chart, says he owes much of his exposure to R. Kelly's appearance on the tune. "You know, he's a legend," Cassidy says, "so that gave me a boost automatically."

While he thinks established R&B artists aren't doing enough to help the next wave, Cassidy says he understands why. "A lot of young artists come in with a negative attitude and don't respect the older cats that paved the way for them, and that's why the older cats have that attitude."

"But I'm definitely blessed that R. Kelly did that for me, because it made my career big instantly."
As Music Biz Changes, Lawyers' Roles Grow

As the industry undergoes an "ultimate makeover," lawyers’ roles continue to expand.

Key to the new model for success is collaborating with advertisers, as they increasingly turn to music as a conduit to reach their target audience.

To this end, music lawyers must become more versatile in dealing with advertisers as a means to develop an artist’s career.

That was a message that resounded at the Billboard Music & Money Symposium March 4 in New York.

Speakers pointed to Michael McDonald and Jimmy Buffett as examples of artists who successfully moved away from the traditional artist/label business model to reap significant profits and boost visibility.

The event drew top entertainment lawyers, including John Frankenheimer, co-chairman of Loeb & Loeb; Fred Davis, a partner with Davis Shapiro Levit Montone & Hayes; Joel Katz, co-managing shareholder of Greenberg Traurig; Michael Elkin and H. Joseph Mello, partners with Thelen Reid & Priest; Griff Morris, VP of the Grammy Foundation; Ken Levitan, co-president of Vector Management/Vector Records; Michael Pollack, general counsel of Elektra Entertainment; John Simson, executive director of SoundExchange; Jim Cooperman, general counsel/senior VP at BMG; Jeffrey Liebenson and Michael Poster with RMZ Rosenman; Ken Abdo, a partner with Abdo Broady & Satorius and chairman of the American Bar Assn.’s entertainment law forum.

MAN BITES DOG. PART 3: In yet another round in the unending saga of music downloading, civil liberties groups are arguing that individual (as opposed to group) complaints be lodged against file sharers.

The move is an attempt to block the efforts of the Recording Industry Assn. of America to efficiently prosecute multiple accused file sharers in a single lawsuit. Forcing the RIAA to pursue each defendant individually would drastically slow down settlement efforts.

The Electronic Frontier Foundation (EFF) and the American Civil Liberties Union have filed amicus briefs asking that accused file sharers be accorded "minimal due process rights before subpoenas are authorized to identify them."

So far, the courts appear to be listening. Last week, a Philadelphia judge ordered record companies to file separate complaints against each of the 203 "John Doe" defendants in BMG Music v. Does 1-203.

Judge Clarence Newcomer ruled that the recently subpoenaed group should not be tried in a single lawsuit and ordered the plaintiffs to pay a full filing fee for each case, for a total of $30,600.

The move is clearly an efficiency challenge for the RIAA, which is seeking quick settlements to create disincentives for illegal file sharers, lawyers note. Meanwhile, the RIAA insists it will continue to seek group settlements and litigate.

The case was filed in Philadelphia against defendants whose Internet service provider (ISP) is Philadelphia-based Comcast.

In a similar case filed in Atlanta against 232 "John Doe" defendants whose ISP is Cox Communications.

(Continued on page 74)
NEW YORK—Top music industry players, entertainment attorneys and financial executives gathered March 4 at the St. Regis Hotel here for the third Billboard Music & Money Symposium. Attendees discussed current valuations of music firms, new artist business models and the climate for entertainment investments and acquisitions. (Photos: Chuck Pulin)

In his keynote speech, Thomas H. Lee Partners’ Scott Sperling, center, shared his views on investing in the music business. His firm played a leading role in the recent acquisition of Warner Music Group. Sperling is pictured afterward with Billboard president/publisher John Kilcullen, left, and Billboard editor-in-chief Keith Girard.

Sharing their end-of-day thoughts are, from left, BMG’s Leo T. Gatewood III, Sony Music Entertainment’s Alvin L. Bowles Jr., ZBI Equities’ Yen Liow and Columbia Business School’s Rendel L. Solomon.

The “Investing in the Digital Future” panel examined such potential new-tech growth areas as downloads and ring tones. Taking part were, from left, Dimensional Associates’ David Pakman, UBS Warburg’s Jeffrey Sine, Consect’s Mark Frieser, Universal Music Group’s Amanda Marks, BearingPoint’s Shahid Khan and moderator Brian Garth, senior business writer for Billboard.

Billboard editor-in-chief Keith Girard, far left, moderated the “Executive Roundtable,” where top entertainment executives discussed the state of the music business. Girard is pictured with, from left, Joseph P. O’Leary of panel sponsor BearingPoint; panelists Steve Gottlieb of TVT Records, Brian Becker of Clear Channel Entertainment, David Hockman of Sony/ATV Music Publishing and Martin Bandier of EMI Music Publishing; and Billboard president/publisher John Kilcullen.

Clear Channel Spectator’s Julie Fontanella, center, won a 40GB iPod in a drawing sponsored by BearingPoint. She is flanked by Billboard president/publisher John Kilcullen, left, and BearingPoint’s Joseph P. O’Leary.

Mingling at the closing cocktail reception sponsored by Loeb & Loeb are, from left, BearingPoint’s Bettina Linder, attorney Terri F. Baker, Elektra’s Michael J. Pollack, the Harry Fox Agency’s Alfred C. Pedecine and BMG’s Jim Cooperman.

HSBC delivered a special presentation on personal financial management for entertainment professionals titled “Money: That’s What We Want.” Leading the session were, from left, HSBC’s MARYANN ROBINSON, Wealth and Tax Advisory Service’s Joseph P. Toce and HSBC’s Joanna Lucchesi.

Attorney Ken Abdo of Abdo Bready & Satorius led a discussion of “The Changing Artist Business Model.” Participating were, from left, Tsunami’s Bruce Kirkland, Abdo, Vector’s Ken Levitan, Greenberg Traurig’s Joel Katz, Elektra’s Michael J. Pollack, Davis Shapiro Lewit Montone & Hayes’ Fred Davis and SoundExchange’s John Simson.

Enjoying the closing cocktail party are, from left, Dave Kusek of Berklee College of Music, John Frankenheimer of Loeb & Loeb and John Scher and Al Cafano of Metropolitan Talent/Hybrid Recordings.
Again dominate the Conference territory remained an independent the ence.

To this day, Texans take the spirit of independence seriously. On a spring day in 1836—March 17, to be precise—the 18th annual South by Southwest Music & Media Conference will open in Austin, and the potential and pitfalls of independence in the music business will again dominate the event.

SXSW organizers say the conference will draw some 7,000 attendees for five days and nights of discussions and showcases. Among the more than 70 scheduled panels are many that will focus on the independent music business: “How Indie Labels Find Artists,” “Clear Eye for the Indie Guy” (a mock budgeting session for marketing a new act), “Successful Entrepreneurship in the Indie World,” “Indie Labels Learn New Tricks” and “The Unique Position of Major-Affiliated Indies.”

The Rock & Rap Confidential newsletter is organizing a March 20 panel on the topic of health care and health insurance availability to musicians and other self-employed workers in the music industry. The newsletter and SXSW will provide passes to this panel for those who want to participate but are not registered for the conference.

A complete lineup of panels and artist showcases is available on sxsw.com. "I think there’s a more hopeful tone this year, as both consumers and people in the industry are beginning to feel that the recession has bottomed out and a modest recovery is under way," SXSW managing director Roland Swenson says. "While sales are still suffering, there are hopeful signs. Hearing Jon & the East Side Boyz, country singer Craig Morgan or dance artist Panjabi MC—have scored on The Billboard Hot 100. Year after year, independents cumulatively command between 16% and 17% of the overall music market share—a chunk large enough to make the indies collectively the No. 2 U.S. distributor. In recent years, the indies have lagged behind only Universal, the behemoth of the business, in total numbers.

That figure has fluctuated by tenths of a percent. But in every other respect, the indies have witnessed gargantuan changes in the way they— and the industry in general—do business during the past decade. It is difficult to believe, but just a little more than 10 years ago independent record distribution was still a regional game in which companies handled labels’ product nonexclusively, fought over turf and decreed “trans-shipping”—a now-disused...

**This Game Has New Rules**

**BY CHRIS MORRIS**

In 2001, Bob Dylan won an Academy Award for a song whose title could stand as a kind of theme for the independent record business: "Things Have Changed."

In a recent conversation with Billboard, John Avararsi, GM of Cleveland-based Action Music, one of the longest-established indie distributors in the country, inadvertently called up the title of Dylan’s tune as he discussed the current state of the indies. "Things have changed," Avararsi says. "The old models of the record business can’t continue to work. It is the year 2004, and we have to look ahead; we have to sit down and make some hard choices about where it’s going."

When you look at the indies’ slice of the overall business in recent years, the picture is one of fairly consistent health and prosperity. The top independently distributed artists of the year to date—such as crunk stars Lil Jon & the East Side Boyz, country singer Craig Morgan or dance artist Panjabi MC—have scored on The Billboard Hot 100. Year after year, independents cumulatively command between 16% and 17% of the overall music market share—a chunk large enough to make the indies collectively the No. 2 U.S. distributor. In recent years, the indies have lagged behind only Universal, the behemoth of the business, in total numbers. That figure has fluctuated by tenths of a percent. But in every other respect, the indies have witnessed gargantuan changes in the way they—and the industry in general—do business during the past decade. It is difficult to believe, but just a little more than 10 years ago independent record distribution was still a regional game in which companies handled labels’ product nonexclusively, fought over turf and decreed “trans-shipping”—a now-disused...

(Continued on page 29)

**Spirit Of Independence Soars Again At SXSW**

**BY THOM DUFFY**

On a spring day in the year 1836, the people of Texas won their independence from Mexico in the decisive Battle of San Jacinto, and the territory remained an independent republic for another decade.

This year, some 1,100 performers will appear on 58 stages. It began the question, How can any one act stand out? "It only takes one person, if it’s the right person, to see your act [and] make a huge difference for your career," Swenson says. "The acts that the SXSW is the ones who’ve done their advance work, have already developed a list of people who want to see their act at SXSW and work to get those people out to their show."

Those who say SXSW should reduce the overall number of acts it...

(Continued on page 32)
**Indie Charts Year To Date**

The chart recaps in this special issue cover the 12-month period starting with the Feb. 8, 2003, issue through Jan. 31, 2004.

The recaps are limited to titles not sold by a major distributor. Ownership ties to a major do not disqualify a title from consideration, nor do pick-and-pack arrangements fulfilled by a major. The only criterion for inclusion is whether the title is sold by independent labels or distributors, as opposed to one of the five major distribution companies.

**Top Independent Albums**

<table>
<thead>
<tr>
<th>Pos.</th>
<th>TITLE</th>
<th>Artist/Imprint/Label</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>KINGS OF CRUNK</td>
<td>Lil Jon &amp; The East Side Boyz-BME/TV!</td>
</tr>
<tr>
<td>2</td>
<td>A MARK, A MISSION, A BRAND, A SCAR</td>
<td>Dashboard Confession—Vagrant</td>
</tr>
<tr>
<td>3</td>
<td>ME &amp; MY BROTHER</td>
<td>Ying Yang Twins—Cold Park/TV!</td>
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<tr>
<td>4</td>
<td>THE WIND</td>
<td>Warren Zevon—Artemis</td>
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<tr>
<td>5</td>
<td>PART II</td>
<td>Lil Jon &amp; The East Side Boyz—BME/TV!</td>
</tr>
<tr>
<td>6</td>
<td>NU-MIX KLAZZICS</td>
<td>2Pac—Death Row/Koch</td>
</tr>
<tr>
<td>7</td>
<td>VANS WARPED TOUR 2003 COM- PILATION</td>
<td>Various Artists—Side One Dummy</td>
</tr>
<tr>
<td>8</td>
<td>TELL ALL YOUR FRIENDS</td>
<td>Taking Back Sunday—Victory</td>
</tr>
<tr>
<td>9</td>
<td>LIVIN’ LEGEND—</td>
<td>B.G.—Choppa City/In The Paint/Koch</td>
</tr>
<tr>
<td>10</td>
<td>SEASONS</td>
<td>Sevdaliz—TV!</td>
</tr>
<tr>
<td>11</td>
<td>I LOVE IT</td>
<td>Craig Morgan—Broken Bow</td>
</tr>
<tr>
<td>12</td>
<td>NEW YORK CITY</td>
<td>The Peter Maffack Group Featuring Norah Jones—Koch</td>
</tr>
<tr>
<td>13</td>
<td>MAKE THE BREAKDOWN—</td>
<td>Hot Hot Heat—Sub Pop</td>
</tr>
<tr>
<td>14</td>
<td>JUST BECAUSE I’M A WOMAN: SONGS OF DOLLY PARTON— Various Artists—Sugar Hill</td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>THIS SIDE</td>
<td>Nickel Creek—Sugar Hill</td>
</tr>
<tr>
<td>16</td>
<td>GUESS WHO’S BACK?—</td>
<td>50 Cent—Full Clip</td>
</tr>
<tr>
<td>17</td>
<td>FREE AGENTS: THE MURDA MIX TAPE—</td>
<td>Mobb Deep—Landspeed/Koch</td>
</tr>
<tr>
<td>18</td>
<td>VINTAGE</td>
<td>Michael Bolton—PMG</td>
</tr>
<tr>
<td>19</td>
<td>GIVE UP</td>
<td>The Postal Service—Sub Pop</td>
</tr>
<tr>
<td>20</td>
<td>GOOD MOURNING</td>
<td>Alkaline Trio—Vagrant</td>
</tr>
</tbody>
</table>

**Top Billboard Hot 100 Labels**

<table>
<thead>
<tr>
<th>Pos.</th>
<th>LABEL (No. of Charted Titles)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>TVT (3)</td>
</tr>
<tr>
<td>2</td>
<td>VP (1)</td>
</tr>
<tr>
<td>3</td>
<td>SEQUENCE (1)</td>
</tr>
<tr>
<td>4</td>
<td>BROKEN BOW (1)</td>
</tr>
<tr>
<td>5</td>
<td>33RD STREET (1)</td>
</tr>
</tbody>
</table>

**Top Billboard Hot 100 singles & Tracks**

<table>
<thead>
<tr>
<th>Pos.</th>
<th>TITLE</th>
<th>Artist/Imprint/Label</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>GET LOW</td>
<td>Lil Jon &amp; The East Side Boyz Featuring Ying Yang Twins—BME/TV!</td>
</tr>
<tr>
<td>2</td>
<td>NO LETTING GO</td>
<td>Wayne Wonder—Greensleeves/VP</td>
</tr>
<tr>
<td>3</td>
<td>SALT SHAKER</td>
<td>Ying Yang Twins Featuring Lil Jon &amp; The East Side Boyz—Cold Park/TV!</td>
</tr>
<tr>
<td>4</td>
<td>BEHAVE OF THE BOYS (MUNDIAN TO BACH KE)</td>
<td>Munguia MC Featuring Jay-Z—Sequence</td>
</tr>
<tr>
<td>5</td>
<td>ALMOST HOME</td>
<td>Craig Morgan—Broken Bow</td>
</tr>
</tbody>
</table>

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Gear Choices Abound For Indie Acts

BY CHRISTOPHER WALSH

So you want to start your own indie band. Just guitars, bass, drums and keyboards. Don’t forget amps for those axes. And a microphone for your frontman (or frontwoman). Eventually, you’ll also want to cut your own CDs or, more likely, create digital music files. So you’ll need a recording workstation.

What you need is a shopping list for music gear. And we’ve got one. Or actually, two, presenting equipment lineups for two imaginary bands.

The following is only a sample of the abundant choices available to musicians. But live performances and high-quality recordings are now options open to everyone. That was evident from the products showcased in January at the Winter NAMM Show in Anaheim, Calif., and available through music gear retailers.

Each manufacturer represented here offers products at a wide variety of prices, with equipment ranging from the traditional to software-based cutting-edge. All prices quoted are from the Musician’s Friend Web site, musiciansfriend.com.

BAND NO. 1:

Guitar: Fender American Series Stratocaster. Fifty years after its introduction, the Strat remains a world favorite. $829.99. (fender.com)

Guitar amp: Fender Cyber-Twin. Fender updates the classic Twin with amp simulation capability. $1,229.99. (fender.com)

Bass: Rickenbacker 4003. The Ric possesses one of the most distinctive electric bass body designs—not to mention tones. $1,049.99. (rickenbacker.com)


Drums: Ludwig Accent 5-Piece Custom Power Drum Set. The brand Ringo made famous. $999.99. (ludwig-drums.com)

Keyboard: Korg Triton Le 61-Key Workstation. $999.99. (korg.com)

Microphone: Shure SM57. The legendary 57 can be found on stages throughout the world. $89.99. (shure.com)

Recording workstation: Yamaha AW4416HDCD Digital Recording System. All-in-one 24-bit recording with onboard CD-RW burner and a whole lot more. $2,499.99. (yamaha.com)

BAND NO. 2:

Guitar: Gibson Les Paul Classic. As legendary and enduring as its creator. $1,599.99. (gibson.com)


Bass: Yamaha TRB4 II. Another quality stringed instrument from the world’s largest manufacturer. $1,099.99. (yamaha.com)


Drums: Pearl Export 5-Piece Fusion Drum Set. From one of the best-known and respected manufacturers. $699.99. (pearl.com)

Keyboard: Roland RS-50 61-key, 64-voice synthesizer. $795.99. (rolandus.com)

Microphone: Sennheiser EK835. Sennheiser’s evolution series offers a range of high-quality/low-cost mics. $99.99. (sennheiser.com)

Recording workstation: Digidesign MX002 Digi 002. The industry-standard Pro Tools platform with 8-fader FireWire interface and additional software (requires Mac or PC). $2,199.99. (digidesign.com)
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New Rules
Continued from page 23
term describing the selling of product by a competitor in areas covered by the “hometown” distributor. This was a method of doing business that had remained fundamentally unchanged since the 1950s.

But the rise of major national retail chains and their demands for fewer distributors spurred the development of national indie distributors, leading many regions to either fold their tents, band together as nationals or enlarge their scope on a nationwide basis. Most independent releases were now being dealt on an exclusive basis.

Then, the new national distributors and the surviving regions came to face a brave new world some of them hardly recognized.

By the dawn of the new millennium, a myriad of forces was squeezing the industry tightly: the downsizing and bankruptcy of overexpanded retail chains, the disappearance of the single and cassette formats, the flattening of the once-explosive CD format, the ascent of DVD, the rise of illegal online downloading, cheap production methods and a concurrent explosion of independently released music.

Like everyone else in the music industry, the indies reacted with horror and bewilderment as sales spiked dramatically in the first years of the new century. In private conversations, the indies of large indie distributors and labels expressed fear and confusion about the future.

However, the indies have always been a creative and resilient lot. One may take the definition of the independent in terms of Robert Fripp’s “small, mobile, intelligent unit.” As things have changed, so have the indies.

"NO ROOM FOR FAT"

As the record business hemorrhaged, the indies kept to a tighter grip on the purse strings and kept a keen eye on expenditures.

"Obviously, we’re trying to increase productivity and save money where we can," says Michael Rosenberg, president of Koch Entertainment Distribution in Port Washington, N.Y.

"There’s certainly no room for fat in the cost chain. We’re very aggressively looking to cut costs wherever we can find ways to do it without impacting the way we function.

Beyond carefully watching expenditures, indie distributors began to monitor the output of their label partners, often in response to a perceived flood of product in the marketplace.

"We put the level of accountability on the labels that we represent, to hold up their end of the deal during the war," says Jim Cuomo, president of New York-based Ryko Distribution.

"We’re making sure the labels have a consistent release schedule," he continues. "[We say,] ‘Do more with less, don’t gut up the release schedule.’ You’ve got to know how the story’s going to turn out. Your powers of fore-
casting have to be sharper than ever. Don’t waste your time, effort, energy and, most preciously, the label’s money on something where it’s going to be a mystery as to what’s going to happen."

Erik Grotte, COO of Baystate Distribution in West Sacramento, Calif., says his company’s policy is to “not necessarily be careful, but thorough.

“We want to make sure we don’t just go out and spend the label’s money,” Grotte says. “We want to be sure this is a good hang for everybody’s dollar and follow through. Was the sell-through good? And if not, why didn’t it work, and what can we do to better?

“We’re focusing on less labels, and getting behind [the ones we have] more, and doing it in the right way,” he continues. “We’re following through. We’re setting them up correctly. We’re not rushing to just throw stuff against the wall and hope it sticks.”

Steve Pritchett, executive VP/GM at Navarre Entertainment Media in New Hope, Minn., says, “We’re doing a thorough review, keeping a close eye on what’s happening with the label business and doing everything that we can to maximize their [profitability] and not make silly mistakes.

"The days of buying orders with [price-and-positioning] dollars have been over for a long time," he adds. “If the record doesn’t justify a $3,000-unit order in exchange for a $5,000 program, we don’t do it.

MUSICAL BASE BROADENS

As the earth moved under the major retailers’ feet, the indies started to look more carefully at selling a breadth of product that would enable them to move into a broader spread of accounts and even some nontraditional outlets.

“The old days of looking for a spread of product on a national basis are over,” says Ken Antonelli, president of RED Distribution in New York. “You have to match the product with the customer, and it doesn’t necessarily mean that some record we put out that appeals to a Borders customer is going to appeal to a Trans World customer.

“We’re trying to say to the labels, Don’t spend your money on trying to get a particular number on a national spread, because at the end of the day, you’ll have unsold product out there that’ll come back. At some point, you’ve got to understand that that’s the way the model is today, and you’ve got to adjust your business model accordingly,” Antonelli notes.

At Koch, where $1 million in annual sales was previously a benchmark necessity for taking on a label, executives began to look at smaller hip-hop and punk labels as a means of balancing their sales.

“By broadening the musical base, or the base of what we offer, it allows us to reach more independent stores with enough critical mass that they want to buy direct,” Koch’s Rosenberg says. “That’s always followed along with that expansion of things that we can carry, to expand the account base at the same time.”

Bill McNally, VP at the regionally
(Continued on page 30)
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Continued from page 28

New Rules

based national Burnside Distribution in Portland, Ore., adds, "It's [about] being diverse, doing totally different styles of music, rather than staying in just one field. We tended to stick to just a few styles of music, and we've gotten a lot more diverse. We're doing a lot of different styles of world music and more folk, bluegrass and Americana.

"We are now selling to pretty much all the major retailers in the country, so we have places to sell all this stuff, too," he adds. "So that's a big plus for us."

MORE THAN JUST MUSIC

But few indie distributors are hanging their hats on music these days.

In fact, as the DVD market expands, and with the digital distribution of music looming as a burgeoning force, some maintain that the rubric of "record distributor" has a somewhat outdated ring to it.

"By all means, to say that you're just a music distributor anymore is a flawed way to go forward," says Ryko's Cuomo, whose company has taken on an increasing number of DVD lines during the past year. "There's a need for you to be able to prosper in both [audio and video] arenas; they're actually tied together.

"You're selling to a guy with 10,000 LPs at home, of which 15,000 are movie soundtracks," he continues. "There's a natural link to the video side."

Navarre's Pitchitch says in early 2003, "We've been very aggressive in talking to our label partners about giving us more DVD-type product. We're looking not just for pure music DVD but for value-added pieces as well. There's a great business to be had with TV programming that becomes available, and children's animation, the whole anime world and health and fitness."

Late last year, Navarre upped its video ante by acquiring BCI, a California home video specialist.

Rosenberg also notes, "We're looking at video as an opportunity. If you're doing audio, you're doing music—that's synonymous. With video, it was initially 'OK, with video we can put out anything.' We don't have to be confined to music, and so far music [DVD product] has not been a priority for us."

RED's Antonelli adds, "The [DVD] titles that we're talking about range anywhere from 50,000 to 100,000 units. You can easily make money with those. That's as big a lot of the records we have. So for us, it makes all the sense in the world to continue to figure out different ways to package, different ways to market, different ways to brand [DVDs]."

DIGITAL DELIVERY IS NEXT

The independents have been slow to warm up to the digital distribution of music, however. But last year's advent of Apple Computer's iTunes Music Store—the first legal digital service to strike a resonant chord with consumers—and a rapidly warming and heavily promoted market for online music has led indies to quench the pace of their digital ramp-up.

"Obviously, our main thing is [record] distribution and a record label," says Glenn Dicker, a partner in the Graham, N.C.-based distributor Red Eye Distribution and its label, Yep Roc Records. "We just wanted to make sure we covered the service for the people we work with. We're not saying that we're believing it's going to become something real important quickly, but we do think it's going to be important."

Antonelli points out that the digital market is "small right now, but everybody in the independent business. There are probably a handful of companies that are doing some business with iTunes or whoever else. Maybe it means a couple of thousand dollars of income a month with just one [online] company."

But, he adds, "It's going to grow, and it will be a nice little chunk of change when you start adding it up and you start sinking your teeth into exploiting the catalog. It'll be fine. I'm excited about it, frankly."

Navarre's Pitchitch believes that even if the digital market doesn't mature overnight, it will amplify the market for his company's CD product.

He notes, "From a distributor's point of view, if you take your piece of the piece you get, it's pennies, right? I don't think it's going to be a significant revenue stream [immediately]. But the point is, it's going to maximize the opportunity to sell CDs. We need some help doing that these days, especially in the independent world."

SXSW's Global Draw Widens

BY PAUL SEXTON

LONDON—The worldwide draw of the South by Southwest Music & Media Conference shows no signs of diminishing.

One month ahead of the March 17 opening of the conference, international registration was up 30% compared with 2003, according to SXSW consultant Tracy Mann of MG Limited.

"Perhaps the most newsworthy point is the breadth of regional British organizations represented this year," says Mann, whose company provides global marketing services to the music industry.

In addition to two major trade groups, the British Phonographic Industry and the Assn. of Independent Music, representatives are coming to Austin for SXSW from the Scottish Arts Council, the Welsh Music Foundation, the Northern Ireland Music Industry Commission and U.K. Trade and Industry, the government organization that supports U.K. companies doing business internationally.

The BBC, which planned to broadcast from SXSW last year before withdrawing because of the war in Iraq, will make up for lost time with extensive programming on adult pop station Radio 2 and its digital rock service, 6 Music.

Just as last year's SXSW was a major part of the U.S. breakthrough for British band the Darkness, whose album "Permission to Land" was released in the United States on Must Destroy/Atlantic Records, a number of emerging U.K. rock acts will be at the 2004 convention as part of their U.S. promotional or touring campaigns.

Those bands include Fiction/Poly- dor's Snow Patrol—whose "Final Straw" album is due a U.S. release March 30 on A&M—and Cooper Temple Clause, whose "Kick Up the Fire and Let the Flames Break Loose" was released Feb. 24 by RCA in the United States.

The trade organizations of the Italian and Belgian music industries, Fondazione Arezzo Wave Italia and Instituto Muziekcentrum, respectively, will be at SXSW for the first time. Trade groups from Sweden, Norway, Finland, Denmark, Holland and New Zealand will also make return visits.

"SXSW is the key event in entering the Northern American market," says Paulina Ahokas, director of Music Export Finland, which will share a stand with its Swedish, Norwegian and Danish counterparts. "It's also a brilliant testing ground for labels and publishers on how well they can work in that market. That's why we're trying to develop the whole Finnish involvement in the event."

Markus Nordenstrom, known in Finland as a solo artist and as a member of the band the Latebirds, will perform. Ahokas says Granpop/Warner Chappell Music Finland, the label and publisher, respectively, for Nordenstrom and his band, will attend SXSW "to work on promotion and deals." A second Finnish artist, blues-jazz singer Erja Lyytinen, will showcase her second album, "Wildflower," on Bluebird Records.

Australia will showcase 25 artists at SXSW, its largest contingent to date. In addition, some 100 members of the country's music industry will attend. The Australian Trade Commission intends to use SXSW to launch a new campaign to reach North American and global music markets. Acts performing include the Avalanches, Powderfinger and the Sleepy Jackson.
Genre? We don't need no Stinkin' genre.

Otis Taylor

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In the wake of two Grammy Award wins by the late Warren Zevon last month, Artemis Records released a limited-edition version of Zevon's final album 'The Wind' March 9 that was manufactured with 180-gram audiophile quality vinyl. Artemis also has released "(Inside) Out: Keep Me in Your Heart," a VHS of the VH1 special that documented the recording of 'The Wind' during Zevon's battle with cancer. Zevon received Grammys Feb. 8 for best rock performance by a duo or group with vocal for "Disorder in the House," recorded with Bruce Springsteen, and best contemporary folk album for "The Wind."

Koch Entertainment plans an upcoming release from "American Idol" contestant William Hung, who earned a frisson of pop culture attention with his radically off-key version of Ricky Martin's "She Bangs" during the latest season of the Fox TV show. The Fuse music network teamed with Koch to offer Hung the contract Feb. 18 following a halftime performance at a University of California at Berkeley men's basketball game. "Every one of us is joyfully guilty of singing our favorite songs at the top of our lungs with wild abandon, all with completely off-key and uninhibited," Fuse president Marc Juris said in a press statement. "As the underdog music video network, Fuse instantly identified with William's drive to do his best and have no regrets at all."

Victory Records, home to 20 guitar-based rock bands of different flavors, reports that shipments of albums by Taking Back Sunday and Atreyu are in the six-digit range and do not seem to be slowing down. "With 'Taking Back Sunday, we've shipped over 400,000," Victory CEO Tony Brummel says. "It should be gold within a couple of months. And Atreyu is over 100,000. In my eyes, Atreyu is just getting started. That's what exciting. The sales achievements are testimony to Victory's commitment to these artists. Atreyu's current album has been on the market for nearly two years. 'We're going to be cruising into Ozzfest [with Atreyu] come June," Brummel notes. The band's album "will be seeing its biggest sales ever, and we're going to drop their new album at the end of June. How cool is that?"

Razor & Tie's success with compilation CDs continues, with the debut of "NuBop 5" at No. 34 on The Billboard 200 for the week ended March 13. The disc sold more than 34,600 units in its first week, according to Nielsen SoundScan. Prior titles in the NuBop series have sold more than 3 million copies. Razor & Tie's business model of using direct-response TV ads has also been used to drive sales of recent compilations, including dance music set "Fired Up," which has reached Nos. 14 on The Billboard 200; old-school gangsta-rap collection "Thug Nation"; and "Slow Jams" R&B set "Tha Down Low."

TVT Records artist Teedra Moses is shooting a video this month in New York for her single "Be Your Girl" with Hype Williams directing. The singer recently performed "Be Your Girl" and "You'll Never Find A Better Woman" with Jadakiss on TV program "Showtime at the Apollo" at the famed Harlem, N.Y., theater on a bill with TVT labelmates Lil Jon & the East Side Boys. Moses is benefiting from a wave of media exposure for her debut album, including a performance at the Soul Train Awards in January, a feature in Vibe magazine and an interview on tmhvone.com, an online entertainment magazine.

Liquid 8 Records plans to release the new Pear Factory album, "Archetype," April 20, preceded by a Web-based promotional campaign called the Pear Factory Online Squad. A link from liquid8records.com allows fans to sign up to earn points toward exclusive Pear Factory merchandise and communicate with other fans of the band. The site counts down the time remaining until the release of "Archetype" to the thousandths of a second. Liquid 8 Records, founded by Sony executive Michael Catin, has an eclectic roster of upcoming and established acts that includes Daryl Hall, Midnight Oil, Smokey Robinson and Ben Sidran.
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Bad Plus Trio Builds Another Bridge To Rock

The piano trio has been a hallmark of post-bop jazz, from Bill Evans to Keith Jarrett to Brad Mehldau. But last year a distinctive new variation on the theme emerged when the Bad Plus—pianist Ethan Iverson, bassist Reid Anderson, drummer Dave King—made its raucous major-label debut with “These Are the Vistas” on Columbia Records.

It was a brilliant outing that positioned the rock and jazz worlds a step closer. In his first studio encounter with a band of improvisers, pop producer Tchad Blake oversaw the project. The acoustic trio broke new ground with its dynamics-packed originals and compelling interpretations of pop hits (including Nirvana’s “Smells Like Teen Spirit” and Aphex Twin’s “Flim”). Heralded by jazz and rock critics, “Vistas” became a modest best-seller, ranking up sales exceeding 60,000 worldwide.

Once branded the loudest jazz trio in history, the Bad Plus returns to crunching, improvised action with “Give,” its sophomore outing on Columbia that streaked March 9.

Once again, Blake produced another first-rate, no-overdubs gem that was recorded at Peter Gabriel’s Real World studios in England. There’s a new batch of band originals as well as covers ranging from jazz renegades Ornette Coleman’s “Street Woman” to Black Sabbath’s high-sound “Iron Man.”

The latter is a piano tour de force, with Iverson opening the tune by playing two pianos—an upright and a Steinway—simultaneously: “Everything we know about playing is in that troch,” he says. “I played as loud as I could while adding fast chromatic flourishes above. There was a danger of sounding campy playing this song, but we didn’t cross that line. There’s irony in the idea of covering Black Sabbath, but the execution is not ironic.”

As for criticism that the trio may be stepping too far outside the jazz zone, Anderson says, “We like rock music and jazz, and it’s not healthy to build walls. We’re passionate about music, period.”

King adds, “We’re making records that sound different from other jazz trios. We’re proud of the fact that we made something that was new and unique.”

Iverson notes, “It’s a good time for jazz piano trios who are doing something different. Audiences are open. We’re bringing new ideas to the table in an improvised music language. Our rhythms may come from rock, but they’re authentic, not some wimpy jazz version.”

WOMEN WHO JAZZ: With increasing recognition, women are finding steady footing in the male-dominated jazz world. The San Francisco Bay Area is home to a wealth of women artists, four of whom are releasing new projects.

After a three-year hiatus, smooth guitarist Joyce Cooling returns with “This Girl’s Got to Play” (Norda Jazz), which bows March 23. On the same day, straight-ahead guitarist Mimi Fox will deliver her latest, “She’s the Woman.” On Steve Val’s new “Favored Nations Cool Impert” (jazz guitarist James Cox’s reissued “Newcanto featuring Stanley Jordan and guitarist Larry Coryell, whose new, as-yet-unitled CD will be released June 15).

In celebration of the 15th anniversary of the Mad-Kat Records label she founded with singer Madeline Eastman, premier Bay Area vocalist Kitty Margolis has released her fifth CD, “Heart & Soul: Live in San Francisco,” recorded at the On Broadway Theater in North Beach.

For her third CD and first as a jazz singer, Natasha Miller releases “I Had a Feeling” (Poignant Records), a tribute to the songbook of Bobby Sharp, whose best-known song, “Unchained My Heart,” was a hit in 1961 for Ray Charles.


Brubeck will be featured March 22 at Jazz at Lincoln Center’s “An Evening With the Legendary Dave Brubeck Octet” at Avery Fisher Hall. While the pianist’s quartet opens the evening, the historic highlight of the night will be the post-intermission performance of the octet, including original member Bill Smith. For only the second time in history, Brubeck will be performing octet tunes from his pioneering 1946 self-titled debut album for Fantasy Records.
High Standards

Here Are The Cars That Turn On The Top Stars

BY JOHN LANNERT

What do OutKast, Missy Elliott, Justin Timberlake, Hilary Duff and Dave Koz have in common? On Grammy night, they were all out cruising in Maybachs.

What's a Maybach? It is the product of a German luxury car and engine manufacturer that stopped making automobiles in 1941 but has been brought back on line by its current owner, Mercedes Benz. The Maybach (pronounced "my-boc") is a 20-foot-long, built-to-order vehicle that costs about $400,000 and takes four to six months to manufacture. Only about 400 Maybachs are expected to ship to the United States.

LEARJET ON WHEELS

From "Car and Driver Radio" host Alan Taylor to hip-hop maven/car restorer Funkmaster Flex to duPont Registry publisher/president Thomas L. duPont, car enthusiasts are raving about the Maybach as a vehicle that looks, as Taylor says, like "a Learjet on wheels."

While the Maybach is one of this year's most prized cars, Flex says the high-end favorites among music celebrities change annually as new models are introduced.

"Nobody keeps those types of cars for five years. They trade them in and move on," Flex says. "Once they put out that new model, the other one is obsolete."

Welcome to celebrity car culture.

(Continued on page 3C)
But for weekends, recording stars and music executives like a wide range of luxury and exotic cars that most times are purchased or leased through their business manager or personal manager—or, as in Elliott’s case, her mother.

Steven Posner, president of Putnam Motor Leasing in Greenwich, Conn., says rockers generally tend to prefer a Bentley or a Lamborghini, while hip-hop artists lean toward a Bentley or a Rolls Royce.

Country stars, duPont adds, tend to go for U.S.-made vehicles that have four-wheel drive. Taylor notes that, generally, Jaguars are also big.

Beau Boeckmann, VP of Galpin Motors in Los Angeles, the largest Jaguar dealer in the United States, says the Ford-owned brand “is like a rolling piece of art. But there are a lot of celebrities out there that own BMWs and Mercedes, because they’re good cars.”

In South Florida, Steven Lewis, GM of Prestige Imports in North Miami Beach, says many of his very star client cars, such as the Bee Gees and Rod Stewart, buy a variety of high-end vehicles, while younger celebrities like Kenny Kravitz and Timbaland favor Ferraris.

According to Lewis, who says his company is among the top luxury car dealers in the country, and when he loaned Houston and Bobby Brown drive “normal cars”: BMWs and Mercedes.

Regardless of which cars celebrities drive, manufacturers and dealers eagerly court and attend to music celebrities through product placement at high-profile events and glitzy sponsored functions. Cross-promotion and marketing is on the rise, as well.

**Cross-promotion with music stars is on the rise.**

**Music, Motoring Match**

BY BILL CHIPPS

Why do you think they call it rock ’n roll?

A natural link has existed between the music and auto industries for more than half a century. The late Sam Phillips of Sun Records once claimed that the first true rock ’n roll song was “Rocket 88,” written by Ike Turner as a high-octane tribute to his Oldsmobile of that name.

Today, the automotive business presents an obvious source of sponsorship opportunities for the music business. But arranging those sponsorships is no easy task, especially for touring acts that often run into the high six figures.

Selling in the automotive industry first need to do their homework and find the fit between the audience that the sponsor seeks and the tour provides. Chance are, BMW will have a country tour to promote its Mini Cooper.

Most sponsorship veterans reach out to brand managers and other corporate decision-makers to negotiate deals. Those seeking sponsors can locate corporate contacts through such investor Web sites as hoovers.com or by purchasing lists from IEG Inc. through its Web site sponsorship.com.

Some businesses seeking sponsor support believe that advertising agencies are the best place to start.

“Al agencies control a brand’s overall image, and politics dictate that agencies be an important ingredient [in the sales process],” says Rob Fonkin, president/CEO of Venice, Calif.-based Marketing Factory, which created and manages the all-riot Civic tour for American Honda Motor Co.

When making a pitch, the sponsor should be aware of any marketing challenges facing the potential sponsor. Is the sponsor launching new vehicles? Is it suffering from quality issues?

Smart sellers position themselves as marketing partners and play up the ways a sponsorship will help overcome those challenges. At a minimum, sellers should offer branding opportunities and on-site vehicle display. Whenever possible, sellers should also offer test drives.

That’s the No. 1 objective for car companies today,” says Andrew Klein, president of New York-based Revolution Marketing, who has sold tour sponsorships to Ford Motor Co., General Motors Corp., and Volkswagen of America.

Other hot buttons in the automotive category are promotional opportunities for dealers, including hospitality and meet-and-greets for customers and prospects, and the ability to compile a prospect database.

Automobile manufacturers sometimes sponsor alongside related companies like radio and satellite radio companies and navigation system providers.

Those companies want to build relationships with other auto companies, and a sponsorship is one way to do just that.

Bill Chipps is senior editor of the IEG Sponsorship Report.
**Coachella Brand Stirs Fest Interest**

**BY SUSANNE AULT**

The Coachella Valley Music & Arts Festival is on its fastest sales track yet. But despite industry support for the idea, don't look for Coachella organizers to create spinoffs any time soon.

Many booking agents, managers and artists say they would embrace more U.S. fests carrying Coachella's brand of live music and sense of outdoor adventure. Yet U.S. touring culture, with its reliance on permanent concert venues, seems to clash with the weekend-long fest atmosphere.

Europe already has a successfully entrenched circuit of similar fests. Clear Channel Entertainment launched six new overseas fests in 2003 alone (Billboard, March 6).

Running May 1-2 at the Empire Polo Fields in Indio, Calif., Coachella is expected to sell out well before showtime. The first week of March, its Web site was already warning fans that in contrast to 2003, they are unlikely to score tickets on event day. Single-day passes are $75 apiece, and two-day passes are $140—

the same price as 2003.

Big draws for this year's Coachellas—which typically lean toward eclectic lineups—include Radiohead, the Cure and a reunion of seminal alternative band the Pixies.

Still, Paul Tollett, co-president of Coachella promoter Goldenvoice, says there aren't any plans to develop new versions. Goldenvoice first bowed Coachella in 1999 and has steered the festival since then. Attendance has grown steadily—with a jump from 55,000 in 2002 to 60,000. It's highest at that point, in 2003.

Nevertheless, Tollett says, "You won't see it anywhere else. This is the destination."

**FESTIVAL COMPETITION**

While the United States does not have as many events as Europe, Tollett notes that there already are several summer fests in the States that do compete for fans. For example, jam-band-themed Bonnaroo's June 11-13 run is priced to sell out, says Jonathan Meyers, partner in fest co-producer Superfly Productions.

"People can only do so much," Tollett says, noting that traveling fests as Vans Warped tour and Lollapalooza will also make Los Angeles stops, near Coachella's Indio location.

Another challenge, agents note, is that the United States is not as brimming with wide-open spaces—key to the camp-out nature of fests like Coachella—as Europe. In contrast, the States are filled with permanent venues like amphitheaters, theaters and arenas.

"Field places exist, but it's a matter of finding them," says Jim Romeo, an agent with Ground Control Touring, who books Coachella 2004 act Belle & Sebastian. "If it goes into sheds, there's a little bit taken away. It loses its specialness where there's not the same allure."

Romeo adds, "It would be great if there were events that linked together," where Belle & Sebastian could travel the West Coast after Coachella for further fest appearances. "Coachella and Bonnaroo have proved that people want it."

A previous fest expansion attempt—Field Day, which Goldenvoice co-promoted—had to be scrapped. The June 2003 two-day event had strong ticket sales, but it had to be shrunk to one day and moved from its original Long Island, N.Y., park location to Giants Stadium in East Rutherford, N.J., because organizers were denied the necessary city permits (billboard.com Jan. 5, 2003).

The Glastonbury, Leeds and Reading fests are huge and work directly with the communities," says Sam Kirby, an agent with Evolution Talent Agency, who often books acts for those fests in England. "You can get land anywhere [in the United States], but you do need to get the right approval from the police, [among others]."

**FEST VS. SHED**

But the bands themselves may not approve of a fest vs. shed concert setting, agents say. Organizers behind shed tours, bolstered by building sponsors offsetting production costs combined with relatively high parking fees, can often afford to pay talent more than supervisors for weekend fests.

"If you go into your local amphitheater, it will have huge revenue from sponsors, concessions, parking and service fees," Kirby says. "With the economics of participating in a Coachella-styled setting, a band isn't necessarily paid as much."

But Tony Margherita, manager of Coachella performer Wilco, finds many sheds to be "generic, soulless and uninspiring."

Ken Jordan, of Coachella 2004 act the Crystal Method, says he wishes there were more events like Coachella.

"It has been a great lineup every time I've been there," he says. "I'm looking forward to hanging out and enjoying the music and eating lots of bad food."

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**After-Prom Parties Ripe For Label Presence**

**BY SUSANNE AULT**

Yoel Silber, founder of Promtix in New York, sees his annual after-prom in New York as serving a dual purpose: keeping kids safely entertained and getting labels and sponsors to reach an important target audience.

"After-prom events are becoming more popular than [the] actual prom," Silber observes.

Promtix launched in 2000 with a few New York-based dance parties in the city as serving a dual purpose: keeping kids safely entertained and getting labels and sponsors to reach an important target audience.

"Promtix events are becoming more popular than [the] actual prom," Silber observes.

Promtix projected an audience of 10,000 teens each year at Promtix parties and is expected to total 100,000 in 2004—Silber thinks he will win over the needed music sponsors and label executives to advance his company into new territories.

At this point, relatively inexpensive, local New York DJs have provided music at Promtix parties. But Silber believes that labels should consider the after-prom events as launching pads for their up-and-coming artists.

"We can take a no-name artist, and more people would probably see this unknown artist at my events than if you took [the artist] on tour," Silber says. "The music industry is going through tough times. They are looking for different ways to get their recording artists out there. What better way to leave a lasting impression than at a prom?"

Silber has signed up the Hip-Hop Summit Action Network (HSAN) as his first Promtix sponsor. The non-profit organization, created by Def Jam co-founder Russell Simmons to educate at-risk youth through hip-hop music, will supply talent for the May 27 Promtix after-party. That night is tagged with a $30 ticket, but the lineup and the event's New York venue are still being negotiated. Possible entertainment sources include Roc-a-Fella Records and Bad Boy Entertainment—as the companies respective heads, Damon Dash and Sean "P. Diddy" Combs, are on the HSAN board.

Silber has rational ambitions for his company: he wants to launch parties in New Jersey, Connecticut, Philadelphia and Miami.

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**IEG/BILLBOARD TOUR SPONSORSHIP RUNDOWN**

**Sponsor**

<table>
<thead>
<tr>
<th>Sponsor</th>
<th>Tour</th>
<th>Estimated Fee</th>
<th>Leverage</th>
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</thead>
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<tr>
<td>Cuzan Rum</td>
<td>Kenny Chesney tour, March-September, 70-plus stops</td>
<td>$750,000</td>
<td>Aligned with Chesney to raise brand awareness, introduce new &quot;Cuzan Confusion&quot; cocktail and gain promotional platform for retail accounts. Leveraging Web site and radio station promotions, digital and print media, local agency distribution with就已经, provide performance at Mardi Gras, corporate event, and display &quot;Cuzan&quot; programming.</td>
</tr>
<tr>
<td>Nokia</td>
<td>Nokia Live at Grand Prairie Theatre, Texas, through 2009</td>
<td>$3.75 million</td>
<td>Using tile to build mobility around its U.S. headquarters and use the association between its smartphones and digital music. Will display its mobile devices at the theater and use ticketing.</td>
</tr>
<tr>
<td>Verizon</td>
<td>Verizon Ladies First sweep featuring Beyoncé, Alicia Keys and Missy Elliott, March-April, 24-plus stops</td>
<td>$1.5 million</td>
<td>Verizon is using sponsorship to play up its &quot;connectivity&quot; messaging and acquire customers through site-specific promotions.</td>
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Compiled by William Chipp, senior editor, IEG Sponsorship Report; IEG, www.iamericanradiohistory.com
McGraw Headlines Gridiron Benefit

Tim McGraw and his Dancehall Doctors will headline an April 10 concert in Austin to benefit the Gridiron Heroes Spinal Cord Injury Organization. A summer amphitheater tour will follow.

Also on the bill for the Austin show is Billy Bob Thornton—with whom McGraw is currently shooting the film “Friday Night Lights”—along with special-guest performers.

The event is organized by movie director Peter Berg, who created the concert to benefit injured football players. The concert will be held at Auditorium Shores; tickets went on sale March 6 for $20 or $15 for high school students.

Meanwhile, though McGraw’s touring plans for 2004 have yet to be announced, sources say he will play a Clear Channel Entertainment-produced run of outdoor amphitheaters mid-June through August, doing approximately 40-45 dates. Last year, McGraw grossed $33 million from 53 shows. He was ranked 14th amongst touring acts.

McGraw is managed by Scott Simon and Mark Hurt at RPM Management and booked by Rod Essig at Creative Artists Agency.

ROCK HALL REDUX: There have been a lot of memorable inductions into the Rock & Roll Hall of Fame, and U2’s Bono has inducted more than one artist with considerable aplomb. “One of the greatest moments in my book was Bono’s induction of Bob Marley,” says Jon Landau, manager of Bruce Springsteen and a member of the Rock Hall’s nomination committee.

For Don Jenner, president of Sony Music U.S.A., Bob Dylan’s induction was a highlight. “When Bruce Springsteen, inducting Bob Dylan, said, ‘I wouldn’t be here without you, and there isn’t a soul in this room who does not owe you their thanks,’ that’s the essence of the experience for me.”

Legendary producer Jerry Wexler has been to two induction ceremonies, the first one out of curiosity, he says, and the second when he himself was inducted. “The first was just an accoutrement that is memorable and significant, but is that kind of moment more memorable than getting the hardware? asks Wexler, now 87. “For me, it was getting the fucking hardware.”

ROUND TWO: A second MTV Headbanger’s Ball tour has been packaged for this spring, beginning May 25 at House of Blues in North Myrtle Beach, S.C. On the bill are Universal Records act and Ozzfest 2004 participant Haterbed, along with Elektra Records act Damageplan, Wind-up Records’ Drowning Pool and Eulogy act Unearth.

The Headbanger’s Ball brand was firmly re-established last fall, when Killswitch Engage, Lamb of God and Shadows Fall made noise on the debut MTV2 Headbanger’s Ball tour (Billboard, Nov. 22, 2003). The 2004 tour—a prelude to a busy spring/summer of multi-headline rock tours that includes the Jägermeister Music Tour with Slipknot, Linkin Park’s Projekt Revolution and Ozzfest—will be staged May 5 at the Filmore in San Francisco.

LONG GOODBYE: The Eagles will return to secondary markets in May with their ongoing Farewell I tour, which began in 2002. The band, managed by Irving Azoff and booked by John Brannigan at William Morris Agency, will follow several days of rehearsals at Van Andel Arena in Grand Rapids, Mich., with a May 12 show.

Thirteen shows are on the books, wrapping May 30 at Save-Mart Center in Fresno, Calif. The band will also play MGM Grand Garden Arena May 21 in Las Vegas.

The band cut individual promoter deals in each market for the tour. The Eagles have grossed close to $88 million from 73 dates on the tour. There is word on any dates this year for the Eagles beyond May, 2004.
Three Keys Celebrates Two Years

BY GAIL MITCHELL

Two years after launch, adult-focused Three Keys Music is generating airplay and chart buzz, though sales-wise it is not “where I want it to be,” chairman/CEO Marcus Johnson says.

With a roster ranging from organic R&B to smooth jazz, Three Keys enjoyed chart success last year with newcomer Yahzarah. The R&B singer peaked at No. 44 on the Top R&B/Hip-Hop Albums chart with debut album “Blackstar.”

There have been earlier jazz releases by saxophonist Michael Lington (“Everything Must Change”), pianist Bobby Lyle (“Joyful”) and guitarist Nick Colionne (“Just Come On In”). The label has also garnered video airplay on VH1 and BET, but sales have been elusive.

The Silver Spring, Md.-based label had early visibility during its April 2002 launch, thanks to the identity of its major financial backer, BET founder Robert L. Johnson (Billboard, Nov. 30, 2002). Robert and Marcus (no relation) met at a jazz festival in Washington, D.C. At the time, Marcus—a contemporary jazz pianist who is also a Three Keys artist—was earning an MBA and law degree while playing gigs and pursuing a recording contract.

“I needed some advice,” Marcus says. “Do I continue or get a law firm job? I’d been working on a business plan for four years. I showed Bob, and he decided to make the investment.”

Though he and Marcus decline to reveal the initial investment figure, sources say it was in the neighborhood of a couple of million dollars. A division of Marinej Entertainment, the label reflects Marcus’ game plan for success, meaning Three Keys’ spirituality, artistry and strategy.

More adviser than daily hands-on operator, Robert gives the label “very close” to a B grade in terms of its ability to identify talented artists and execute good music. The one early stumbling block, though, has been distribution. Initially affiliated with Lightyear/WEA, Three Keys has since signed with WEA-affiliated ADA.

TOUGH LESSONS

“We’ve learned some tough lessons from those relationships,” Robert says. “And we made other mistakes, like paying a lot of attention on one artist who didn’t pan out. The challenge is how to recover and keep costs to a minimum as we try to break new artists.”

On the radio airplay front, Three Keys has enlisted the services of independent promoters. Working the label’s jazz product is Cliff Gorov of All That Jazz; handling R&B is Bruce Jones of Thun Productions.

“We have the product, the airplay and we’re getting 120,000 hits on our Web site,” Marcus says. “That’s pretty good for a company averaging eight to 10 employees. Now we’re looking to increase our sales knowledge and get sales up to stay in business. And it doesn’t have to be too expensive to do it right.”

To keep costs in check, Marcus employs the mantra “use every means necessary.” It was born from personal experience. Before establishing the label, Marcus sold his own CDs out of his car and at his gigs.

“To take a record company national, you generally need about $2 million,” he says. “So you have to be creative.”

One way he accomplishes this is through “creative contracting.” Artists receive lower upfront costs, and everyone shares the risks. Another way is through pared-down video costs. Three Keys videos generally fall in the $3,000 range.

“You also have to get artists who are willing to go out there and shake hands, kiss babies,” Marcus says. “They can’t stop at the 20-yard line when you throw the ball. We all have to keep running to score that touchdown.”

And score royalty payments.

“Within a year of his record coming out, Nick Colionne is receiving a royalty check,” Marcus says. “When was the last time you heard of an artist getting a royalty check that soon?”

MUSICAL MATRIX

Three Keys Music is eying a couple of vocal groups as potential roster additions. In the meantime, positioned in its April starting blocks are Lyle and R&B singer Alson Williams. Lyle’s “Straight & Smooth” (April 6) is a double-CD of 22 songs covering both straight-ahead and smooth jazz. Williams, who first scored top 10 R&B hits (“Sleep Talk,” “I Need Your Lovin’”) in the ’80s and ’90s, returns with the 14-track “It’s About Time.”

In tune with Three Keys’ cost-efficient strategy, both albums were recorded for less than $25,000. The Lyle set will retail for $18.98; Williams’ for $12.98.

“Everyone in the music industry is trying to find the answer,” Marcus says. “The answer (Continued on page 40)
Three Keys

Continued from page 39

is whatever works for you and your music. What works for Universal may not work for us, because I don't have the same scale for a mass num-

Three Keys Music

“itis such a matrix to figure out the right path, and when to raise or lower it,” Marcus says. “I just can sustain a higher retail price than pop, because the people buying pop are generally those spending their allowance. You have to be very careful. And in tandem with being careful is being realistic. Both Johnsons say they’re behind Three Keys for the long haul, but they’re also on the lookout for potential joint-venture partners. “This is a capital-intensive business,” Roberts says. “A lot of upfront money is put out for recording, marketing, paying the artist. At the end of the day, you don’t know if you have a winner until pretty much all your money is spent.

“You never fall in love with your business idea. If the business works out well and Marcus is able to grow it, I’m there for the long term. It’s very easy to stay with a company turning out profits. The tough decision is if you haven’t reached your goals on the first investment. How do you assess if an additional investment will put you over the top? I know Marcus will work harder than anyone to make this work.”

“It’s the most awesome time to be an independent,” Marcus adds. “It’s like the Wild Wild West. We can take the risks others won’t. But the only way to get the true large numbers is to find a partner willing to say, ‘We believe in your model, and we want you to come here.’

“There are days when you could say, ‘I don’t want to do this anymore,’” he continues. “So many games are being played that we’ve gotten away from the reason why we’re here, which is the music. Five years from now, I want Three Keys to be known as the label that took a chance on adult music in the face of pop culture . . . and won.”
Pérez, Sebastian Win Big At El Premio ASCAP

BY LEILA COBO

Rudy Pérez, a Cuban-American who writes about love, and Juan Sebastian, a Mexican who performs songs based on his personal experiences, each collected songwriter of the year awards at the 12th annual El Premio ASCAP Awards.

This was the third time each songwriter had won the top prize at the ASCAP awards. This year's show took place March 11 in San Juan, Puerto Rico.

Sony/ATV Music Publishing was named publisher of the year for publishing the most award-winning songs, 52, Richard Rowe, president of Sony/ATV Music Publishing, and Eddie Fernandez, VP of Sony/ATV Music Publishing (Norte) and the Latin American region, picked up the award.

Special recognitions were also given to Puerto Rican singer/songwriter Edinna Nazario, who received the ASCAP Latin Heritage Award, and legendary bandleader/songwriter Johnny Pacheco, who received the ASCAP Silver Pen Award in recognition of his lengthy career.

In addition, Josué A. Ribas, executive director of the Puerto Rico Radio Broadcasters Assn., was given the ASCAP Partner in Music Award for promoting the use of ASCAP members' music on the island.

Six of Sebastian's tracks won awards. "I write in response to a spiritual need, not to an artistic or commercial need," he tells Billboard. "I only sing, Juan Sebastian."

Ironically, one of his winning songs was "Hoy Empieza Mi Tristeza," an older track covered by Grupo Montez de Durango.

"I'm a normal person," Sebastian adds, explaining why his very personal material works for other acts. "It makes me happy to know that I'm on the same wavelength as my people."

Pérez had eight winning tracks, performed by artists as diverse as José Feliciano, Jennifer Peña and Cristian Castro.

"Thank God people still fall in and out of love all the time," says Pérez, who wrote several of his winning songs, including "Lo Que Yo Tuve Contigo" and "Vivir la Vida," with Roberto Livi. "A love song makes somebody's career, and a love song stays forever."

El Premio ASCAP awards were presented in regional Mexican, tropical and pop/ballad categories.

Special awards were given to Latin song of the year ("Tal Vez," written by Franco de Vita, published by Warner Bros. and performed by Ricky Martin), hip-hop/reggae song of the year ("Masacamba," written and performed by Tego Calderón and published by El Abarra) and rock song of the year ("Eres Mi Religión," composed by José Fernando Olvera, performed by Maná and published by EMI April Music).

Prolific touring band Yerba Buena won independent group of the year.

This year's El Premio ASCAP was held in Puerto Rico for the first time. To recognize this milestone, the mayor of San Juan declared 11 ASCAP Day.

For a complete list of winners, visit billboard.com/awards.

Warner Latin Ops In Flux

As changes in Warner continue worldwide, Warner Music Latin America president Ilígeo Zabala confirms that he is now in charge of the label's operations in the region and in the United States.

"We are in a process of restructuring that will be finalized at the end of this month," Zabala says. "For the time being, I'll be in charge of the U.S. Latin and regional offices."

Zabala, who is based in Miami, became president of Warner Music Latin America in 2003. In 2001, overseeing the label throughout the Latin region.

At the time, George Zamora was already in his post as head of Warner Music Latina, Warner's U.S. Latin operation, and also reported to Zabala.

Zamora, a seasoned and well-respected veteran of the Latin music industry who was formerly president of Sony Discos, left Warner last week as part of the company's restructuring process. Zamora's most recent success had been the signing and development of Miami-based group Bacilos, which won a Grammy Award in the best Latin pop album category in 2003.

In addition to Zamora, seven other employees have left Warner's Latin divisions in the United States. They include Harry Fox, Warner Music Latina's longtime VP of sales and marketing, who reportedly resigned prior to the company's restructuring process. Warner's Latin operations in the United States and Puerto Rico are now believed to be down to fewer than 30 employees. Sources say that more cuts are expected by month's end.

Warner's regional and U.S. operations are based in Miami. In the Latin region, the only Warner casualty so far is the label's Colombian office, which will officially shutter April 30. Its closure is doubly significant, as Warner operations in Peru, Central America and Venezuela were supervised from the Colombia office in Bogotá. Warner Colombia's former president, Wieland Kafka, left the company March 5, along with marketing manager Iván Valenzuela.

In Venezuela, Warner has already become a licensee of Las Vegas, a music distribution company. The label's fate in Colombia, Peru and Central America is still undecided.

Zabala says that no other regional offices are currently scheduled to close.

Warner's Colombian operations launched eight years ago. However, because of increasing piracy and declining sales, the Colombian label had not signed a local act for three years, until signing singer/songwriter Santiago Cruz in 2003. But Cruz recorded and produced his own album and already had notoriety from his performances at his own popular nightclub, El Sitio. Regardless, that Warner took him in was seen as a positive step toward local artist development.

But that was sadly short-lived.

The true casualties of these international restructuring, of course, are local acts. With labels decimated by piracy, the first thing to go is artist development in small markets.

The one hope is that when the dust settles, the acts left with recording deals are those who can cut it. If the majors can't tell the difference, maybe the indies can.

CONFERENCE UPDATE: Early-bird registration for the Billboard Latin Music Conference ends March 16.

Visit billboardevents.com for a full schedule.

Additional reporting by Gustavo Gomez in Colombia.

Rudy Pérez (left) and Juan Sebastian (right) accept their awards at the 12th El Premio ASCAP awards in San Juan, Puerto Rico. 

BY LEILA COBO

Pérez Eight Songs Awarded

Warner Latin Music Conference & Awards 2004

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Latin Music
### Latin Pop Albums

<table>
<thead>
<tr>
<th>Position</th>
<th>Artist</th>
<th>Title</th>
<th>Week(s) Ago</th>
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<tr>
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<td>ALEVIR</td>
<td>Proyecto Alevir</td>
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<tr>
<td>2</td>
<td>LOS HURACANES DEL NORTE</td>
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<td>3</td>
<td>VICENTE Y ALEJANDRO FERNANDEZ</td>
<td>En Vivo: Juntos Por Ultima Vez</td>
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<tr>
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<td>GRUPO EXTERMINADOR</td>
<td>Narco Corridos De Pantera Con El Diablo vol 3</td>
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<td>VARIOUS ARTISTS</td>
<td>Exitos Y Sonidos De Los Mejores De La Cumbia</td>
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<tr>
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<td>JULIO IGLESIAS</td>
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<td>CHAYANNE</td>
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<td>Nuestro Final</td>
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<td>OBIE BERMUDEZ</td>
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<td>PEPE AGUILAR</td>
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### Tropical Albums

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<td>3</td>
<td>JAVIER JIMENEZ</td>
<td>Te Amo</td>
<td>2</td>
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<td>4</td>
<td>ANTONIO LOPEZ</td>
<td>Historia Unica: El Renacer</td>
<td>10</td>
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<td>VICENTE Y ALEJANDRO</td>
<td>Exitos De Una Vida</td>
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<td>6</td>
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<td>Camino Del Alma</td>
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<td>ANTONIO DOS</td>
<td>Mas Alla De Los Limites</td>
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<td>8</td>
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<td>Historia Musical De Un Camino</td>
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<td>10</td>
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### Regional Mexican Albums

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<td>DE LA RIOJA</td>
<td>Historia Musical de Un Camino</td>
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<td>3</td>
<td>DIEGO LECHUE</td>
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<td>DIEGO LECHUE</td>
<td>Historia Musical De Un Camino</td>
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</tbody>
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**Note:** The table above lists the top Latin pop, tropical, and regional Mexican albums according to Billboard's Latin Pop, Tropical, and Regional Mexican charts for the week ending March 20, 2004. The information is sourced from Billboard magazine.
Recent Record “Por Ti” certified GOLD by RIAA

“Por Ti” debut #1 in Top Latin Albums

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Sony Music
# Hot Latin Tracks

**Title** | **Producer (Songwriter)** | **Imprint/Promotion Label** | **Artist** | **Peak Position**
---|---|---|---|---
1. **TE QUIESE TANTO** | Paulina Rubio | Number One | **Paulina Rubio** | 1
2. **CUIDARTE EL ALMA** | Chayanne | SONY Disques Argentina | **Chayanne** | 1
3. **Y TODO QUESO EN NADA** | Ricky Martin | BMG Latin | **Ricky Martin** | 3
4. **GREATEST GAINER** | Alex Ubago | BMI Latin | **Alex Ubago** | 4
5. **QUE LLORO** | Sin Bandera | Sony Discos | **Sin Bandera** | 5
6. **MAS QUE TU AMIGO** | Marco Antonio Solís | Universal Latin | **Marco Antonio Solís** | 6
7. **CERCA DE TI** | Thalia | CBS Latin | **Thalia** | 7
8. **TENGAN GANAS** | Victor Manuelle | Sony Discos | **Victor Manuelle** | 8
9. **ME CANSE DE TI** | Olivo Biondino | EMI Latin | **Olivo Biondino** | 9
10. **BURLERA** | David Bisbal | Sony Music | **David Bisbal** | 10
11. **LA PAGA** | Jaquetas SAS | Sony Discos | **Jaquetas SAS** | 11
12. **HACIENDO OLVIDARLA** | Conjunto Piraívar | Sony Discos | **Conjunto Piraívar** | 12
13. **BARAJA DE ORO** | Paloma | Sony Discos | **Paloma** | 13
14. **COMO PUDE ENAMORARME DE TI** | Olivo Biondino | SONY DISCOS | **Olivo Biondino** | 14
15. **ANTES** | Patuila Pif | Sony Discos | **Patuila Pif** | 15
16. **SOY UN NOVATO** | Inconrible | Sony Discos | **Inconrible** | 16
17. **LAGRIMAS DE CRISTAL** | Grupo Manzana de Durango | Sony Discos | **Grupo Manzana de Durango** | 17
18. **ROAS** | La Oveja Negra | Sony Discos | **La Oveja Negra** | 18
19. **DUELE VERTE** | Ricardo Arjona | Sony Discos | **Ricardo Arjona** | 19
20. **MIENTRAS TAN BIEN** | Sin Bandera | Sony Discos | **Sin Bandera** | 20
21. **QUIEN TE DIJO ESO** | Luna Friz | Sony Discos | **Luna Friz** | 21
22. **JOSE PEREZ LEON** | Los Tigres Del Norte | Sony Discos | **Los Tigres Del Norte** | 22
23. **ELA TIENE FUEGO** | Celia Cruz | Sony Discos | **Celia Cruz** | 23
24. **CREO EN AMOR** | Rey Ruiz | Sony Discos | **Rey Ruiz** | 24
25. **AGUANTA AHI** | Ricarte | Sony Discos | **Ricarte** | 25
26. **DOLAR POR HECHO** | Broma el Gigante Del Chicago | Sony Discos | **Broma el Gigante Del Chicago** | 26
27. **PARA QUE ME HACES LLORAR** | Brossy Y Luis Estefan | Sony Discos | **Brossy Y Luis Estefan** | 27
28. **QUIERO QUE TE VAYA** | Edmundo Zarate | Sony Discos | **Edmundo Zarate** | 28
29. **ECHE E LENA** | Victoria | Sony Discos | **Victoria** | 29
30. **UN AMOR** | Luis Miguel | Sony Discos | **Luis Miguel** | 30
31. **GUERO PERDERME EN TU CUERPO** | David Bisbal | Sony Discos | **David Bisbal** | 31
32. **VANIDOSA** | Cristóbal | Sony Discos | **Cristóbal** | 32

**March 20, 2004**
Celebrando su Quinceañera

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- The Art of Endorsement & Branding
- Download Revolution
- ASCAP Songwriters Panel
- New Sounds of Regional Mexican Music
- Presidents & Artists in Discussion sponsored by BDS
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Mood Upbeat At WMC, M3 Confabs

BY MICHAEL PAOLETTA

MIAMI BEACH—Gloom and doom (and a very damp crowd) were all that was missing from the third day of the Winter Music Conference (WMC) and the inaugural M3 Summit—upbeat and spirited.

Between the two competing conferences—Field March 5-9 (M3) and March 6-10 (WMC)—one point remained very clear: Those in the dance/electronic music scene are ready and willing to do what it takes to get their music heard—and sold—in the global marketplace.

As Pete Tong, DJ/host of BBC Radio 1’s influential weekly show “Essential Selection,” so succinctly put it during his M3 keynote, “Today, we must be lean, mean, flexible and focused. In the ’90s, the business of dance music—its popularity and infrastructure—became very big. Once that happened, the quality of the music went down. By the end of the decade, everything began to fall apart.”

But now, Tong said he feels optimistic about the future of dance/electronic music. “It is reinventing itself,” he added. “And its reach goes beyond clubs and radio.”

Tong was referring to the fact that dance/electronic music has become an integral part of everyday life, from TV ads and film soundtracks to ring tones, satellite radio and the Internet. “Any method of distribution that enables people to hear music is a good thing,” he noted.

GETTING MORE MOBILE

Tong pointed to his latest endeavor, FastTrax, the recently launched, TV-styled music/entertainment show available on 90 mobile handsets. Tong is in the process of getting the show—currently available in the United Kingdom—into other markets, including the Far East.

Similarly, Motorola debuted three new mobile music handsets and new wireless content created by MTV International (exclusively for Motorola) at M3, according to Motorola manager of global entertainment solutions Rob Gelick, this partnership will create new ways to distribute entertainment, especially music.

But during the On the Go: Mobile Music to the Rescue panel, Gelick quickly pointed out that “accessibility is key” to delivering music. “Our customers—the mobile operators—want us to keep the momentum going with new tracks, club-happening news and upcoming artist tours.”

Artists, producers, managers, label executives, booking agents and DJs agreed. Kourosh Nasseri of Nasseri Music Business Solutions in Washington, D.C., who oversees the North American careers of Paul Van Dyk and others, said it came down to cross-marketing.

“Any mobile phone can provide one piece of the marketing puzzle, while the record label provides another piece,” Nasseri explained. “It’s important that you look at talent as a brand. Then, catalog the assets of the brand and figure out what kind of income you can generate with those assets.”

Independent labels Southern Fried and Underwater recently did that when they merged forces to form digital download service trax2burn.com. Ditto for bleep.com, launched by Warp Records. These U.K.-based Web sites join several U.S. digital download sites, including beatport.com and nufone.com.

“The Internet allows us to reach our target audience for much less money,” said Simon Dunmore, A&R director of Defected Records U.K. He was referring to the many digital download sites, DJ promotional services and nonterrestrial radio stations that are only a few clicks away.

Today’s Internet is yesterday’s college radio,” noted Dave O’Neill, President/Marketing of Mark Alghini, who manages Supreme Beings of Leisure, among other acts.

At the same time, more artists are embracing Hollywood and Madison Avenue—and vice versa. There is no longer a stigma attached to an artist who licenses his or her music for use in a TV ad, said Karl Westman, music producer for ad agency Ogilvy & Mathers. Westman recently worked with DJ/producers Scott Hardkiss on music for a Motorola ad campaign.

DJ/producer Tom Holkenborg, who records primarily as Junkie XL, noted that while he was not paid a lot for an Opel ad campaign that featured his music, he did retain all publishing. “So, I’ll be earning money for the entire 12 months of the campaign.”

Singer/songwriter Jori Cardwell, who has licensed her music to several TV shows, including Showtime’s hit series “Queer as Folk,” expressed a like-minded view during the Grassroots Promotions (Do It Yourself) panel at the WMC. “Without compromising my vision or creativity, I want people to discover my music in a vast medley ums,” she said.

Cardwell, who owns her own label (No-Mad Industries), continued, “You must be aggressive in getting your music out there. At the end of the day, you must keep up with the many changes that are continually taking place within the business of music. And don’t ever forget: This is a business.”

Between the M3 and WMC, approximately 4,500 people registered to attend the daily panels and nightly showcases, event organizers say. According to the mayor’s office of the City of Miami Beach, an additional 7,000 dance/electronic music enthusiasts visited the city solely to partake in the hundreds of parties and events—including Ultra Music Festival 2004 and Downtown Miami’s Annual Dance Music Awards—that surrounded the two conferences. The total economic boost to the City of Miami Beach was expected to reach $11 million.

Highlights From Dance’s Big Week in Miami

As I write, Miami Beach—specifically the South Beach area—is bustling with 24-hour party people. Tens of thousands of dance/electronic music enthusiasts are in town to partake in the artist/DJ showcases and social networking events surrounding the Winter Music Conference and new kid on the block: M3 Summit (see story, this page). Day and night—at poolside hotels and in club/dance venues, cafés, restaurants and nightclubs—the diverse and colorful beats and rhythms of clubland can be heard.

Following are some musical highlights of the week that was.

• Louie Vega brought his new Vega/MAW album, “Elements of Life,” to absolute life when he took to the poolside stage of the Surfcomber Hotel for a live performance. Keyboardsists Selan Lerner and Didi Gutman, percussionists Luis Quintero and Carlos Quintero, guitarist/vocalist Raoul Meldon and featured singers Josh Milan (of Blaze) and Vega’s wife, Anane, joined Vega on stage for one of the week’s liveliest sets.

“Better Day” (Mido) and “Brand New Day” (Miami). For an encore, the three singers united for the anthemic “Love Is on the Way.”

• Independent label Hed Kandi hosted a jam-packed soiree at the Red Label. Former producer DJ/Mark Doyle worked the turntables effortlessly. Among the DJs were touring partners to several tasty house jams, including Tim Deluxe’s remix of “David” by Gus Gus. Full Intention’s remix of George Michael’s “Amazing,” Milk & Sugar’s “Get Down, Stay Down” and Skylores’ “That’s More Like It.”

Doyl also spotlighted several upcoming, choice Hed Kandi singles. Of these, we are still unable to get StoneBridge’s “Put ‘Em High” out of our head. Expect a commercial release of this potent track within the next two months.

• For its record release party for the remixes of Madonna’s “Love Profusion,” Maverick Warner Bros. brought DJs Peter Rauhofer, Ralph Rosario and Los Angeles-based duo Blow-Up to provide the eclectic soundtrack. The focus did not disappoint. In addition to playing its gloriously trippy remix of “Love Profusion,” complete with rockabilly guitar, Blow-Up debuted its just-completed restructuring of Blondie’s “Good Boys.” Sanctuary. The set caused the release version now. Blow-Up’s funk foundations, dark roots of Blondie’s “Good Boys,” which the duo also spotlighted, were likely the lightheart of the night’s music in the coming months (as part of a larger Madonna remix package, which could very well be be mixed by Rauhofer).

• Hed poolside at the National Hotel, the second annual Come Up EP: mixing up Madonna, Blondie and others) and singers (including Barbara Tucker and Latrice Barnett) were scheduled to perform, a party outing early on to put a lengthy halt to the proceedings.

By Michael Paolotta

mmpaolotta@billboard.com

Beat Box

COLORADO SPRINGS—For years, this town has been the hotbed for United States Air Force Academy band members to work on their band projects and jam out on a regular basis. But now, more than ever, people look to the beer cans and cans of beer as a place to hang out and enjoy their time together.

As the weather gets warmer, people begin to spend more time outside, and one of the best places to do so is in the beer can. This year, the beer can was named the official drink of the beer can.

The beer can is a great way to enjoy a cold beer on a hot day. It’s also a great way to toast to life and all that it has to offer.

In addition to being a great drink, the beer can is also a great place to hang out with friends. You can spend hours just talking and laughing with your friends.

As a beer enthusiast, I highly recommend trying out the beer can. It’s a great way to relax and enjoy life.

Cheers!

By Michael Paolotta
Sony Music Nashville president John Grady added, “Your batting average has to be a lot higher. We’ve all been at pop labels that put out 75 to 100 records a year. We can’t do that here. We can’t develop them that fast. I’ve been encouraged to be extremely aggressive in the creative area.”

CORPORATE DEMANDS

Dealing with bottom lines and the demands of their corporate bosses was a thread of discussion that prompted candid responses about how corporate expectations mesh with the realities of the country format. “This is a lousy business in terms of turnover,” Grady said of the record industry. “It’s a cash-flow business, but it’s not really a great return business, unless you’re able to build the assets over a course of time. You have to get in and out of a everybody. It’s a point where you have a series of managers coming in that don’t understand what it’s like to make a record. They think it shows up on a release schedule and you put it out... there are a lot of holes, issues—the people are not real young,”

Lewis added, “Another thing we’re up against with the powers that be is that they look at Nashville from afar. They’re hunting for quarterly results. They think maybe we’ll get lucky and catch a Billy Ray Cyrus or Shania Twain, one of these quick hitters. I like the Dixie Chicks, that happens very quickly. They’ve been watching it the past couple of years, and that isn’t happening.”

While the radio and record-company panelists discussed their struggles on several fronts, Clear Channel Entertainment VP of touring Brian O’Connell said at another CRS panel that he is bullish on the tour industry. “Live entertainment is the last bastion of ‘an it, touch it, feel it’,” he said of the consumer experience. “You can’t duplicate that no matter how cool your computer is.”

Head labels also discussed the demand for illegal downloading has done to the industry. In hindsight, Galante felt the industry should have embraced Napster. “We should have figured a way to work with it,” he said. Grady agreed. “We should have been involved in developing it instead of being at war with it.”

Lewis illustrated just how damaging downloading can be by pointing out that although Twain’s current album, “Up!,” has sold approximately 5 million copies, “the record came out 14 months ago. There have been over 11 million downloads. Do the math. That’s devastating.”

During its opening keynote, Clint Black called illegal downloading “dangerous.” He noted that it is making the industry afraid to make challenging music, for fear it won’t sell millions. “I’ve been trying to get the message out to fans that if you love an artist, buy their CD, because the quickest way to make that artist go away is to steal their music,” he said.

With everyone so concerned with exposing the music and to change the format, the “Outside Looking In” panel that addressed outside perceptions of country music was well attended. Moderated by Country Music Assn. senior director of strategic marketing Rick Murray, panelists voiced some of the perceptions ad agencies, filmmakers and TV programmers have when it comes to country music.

J.Walter Thompson’s Peter Stroh said that, for the most part, country music is not perceived to be part of popular culture with the exception of major artists like Twain who tend to wind up in music and movie magazines. “That’s good for country,” he said, “but I’m not sure people in country believe it’s good for country.”

NBC Entertainment senior VP Sheraton Kalouria encouraged those in the format to support artists like Faith Hill crossing over, saying that when people say artists like Hill aren’t country, “that paints the format into a much smaller box than it needs to be.”

CONVENTION CAPSULES

In other convention news, during his keynote, Black played two TV spots for his new album, “Spending Time.” The ads featured comedian Kevin Nealon playing a store clerk and explaining to a customer that Black’s new album “makes you realize how crappy the old stuff was.” After playing the spots, Black extended his apologies to Galante, “who has the catalog on the old crap.”

ATST, the international managers’ association R.J. Curtis was elected president of the Country Radio Broadcasters’ board of directors succeeding Westwood One’s Charlie Cook. Bill Mayne of Mayne Entertainment was re-elected VP of the board, and Jeff Walker of AristaMedia and Marco Promotions was re-elected treasurer. Gary Krantz of Premiere Radio Networks was elected secretary of the board succeeding Curtis.

Brad Paisley was the surprise recipient of this year’s CRB’s annual artist humanitarian award. CRS drew 1,913 full registrants, artist roster. Turner managed an additional 920 people participated in related events this year, including the Country DJ Hall of Fame dinner and the Town Hall meeting.

Compadre Brings On White, Campbell, Lee

Houston-based Compadre Records has signed Lari White, Kate Campbell and Julie Lee to its artist roster. While previously recorded for RCA and Lyric Street Records and, most recently, ran her own Skinny White Girl Records label in Nashville, her new album, "Green Eyed Soul" is due June 1.

Jenni Finlay joins as manager of label promotion. She previously worked for Virgin Records and Major Bob Music, both in Nashville. Shanna Sturgeon joins as label coordinator. She previously worked at Universal South and Tanya Tucker’s Tuckerton Records.

BOMBS AWAY: The Chemex Bombs have reunited for a new album, due in later summer/early fall from Universal South. The original group included Universal South senior partner Tony Brown, along with Rodney Crowell, Vince Gill, Richard Bennett, Hank DeVito, Emmylou Harris and the late Larry London. The reunited group, now known as the Notorious Chemex Bombs, features all of the original members except Gordon and London. New to the group are Eddie Bayers, Michael Rhodes and John Hobbs.

While they never recorded an album under that name, the Chemex Bombs served as Crowell’s band in the late ’70s and early ’80s. They played on most of Crowell’s Warner Bros. records and many of Rosanne Cash’s albums from that era.

ON THE ROW: Newly launched Nashville label Vivaton Records has signed distribution deal with Sony’s RED Distribution.

Tom Moran is promoted from director to senior director of national promotion at Equity Records.

As first tipped here in the March 6 issue, the annual ASCAP and BMI country awards will go to tone this year. With the Country Music Assn. Awards moving to Tuesday, Nov. 9, from their traditional Wednesday-night slot, both performing-rights organizations will host their own events on the same night, Nov. 8. ASCAP has traditionally held its event on the Monday of CMA week but was pre-empted by BMI, which was the first to announce a Monday date after the CMA Awards shifted.

The BMI awards were previously held on Tuesday.

IN & OUT: Mercury Records in Nashville has cut Mark Wills and Anthony Smith from its artist roster. Wills has recorded six albums for the label since 1997, including a greatest-hits package in 2002. He has one platinum- and one gold-certified album and has landed eight top 10 singles on the Billboard Hot Country Singles & Tracks chart, including the No. 1 “Wish You Were Here” and “919 Somethin.”

Smith recorded one album for the label, “If That Ain’t Country,” which peaked at No. 26 on the Billboard Top Country Albums chart in 2002. Ryman Lyons, who was recently cut from the MCA Nashville artist roster (Nashville Scene, Billboard, Feb. 28), has signed with Arista Nashville.

Lyric Street Records has started ways with artist Sonya Isaacs after failing to break her at country radio.

Warner Bros. has signed West Texas native Lane Turner to its artist roster. Turner was managed by Bob Doyle and Associates, published by Major Bob Music and booked by Monterey Peninsula Artists.

Carnival Music has re-signed Bruce Robison to an exclusive publishing deal.

Mercury artist Julie Roberts has signed with BMI and EMI Music Publishing.

ARTIST NEWS: Trace Adkins has been hired as the voice of Kentucky Fried Chicken’s new national TV advertising campaign. His voice will be featured in commercials airing throughout North America.
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**TOP BLUEGRASS SINGLES**

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THE VON BONDIES
Paw Shoeppe Heart
PRODUCERS: Jerry Harrison, Im Diamond, Jason Stollerstein
Sire/Reprise 48549
RELEASE DATE: March 9
Took co-ed Detroit quartet the Von Bondies from bands like this rocking initial release. The present album only slightly slichen up the Bonadies’ up-tempo songs, inspired sound and verbal/vocalist (and recent Jack White collaborator) Jason Stollerstein’s marked progress. Former talking Heads keyboardist Jerry Harrison seems to understand that little is to be gained sprucing up the style of an un-tamed combo like this one. Stollerstein comes through with a solid collection of original tunes: the rockers “Broken Man,” “C’mon C’mon,” “Been Swank” and “Poison Ivy” are especially impressive, while the five-minute, downtempo “Maired” shakes up the program. The Bonadies are a hard-touring unit, and that should help them put across a convincing package of no-frills Motor City Garage.

From one song to the next, Mascott enclaves. “He’s not as blind as he could be!’He doesn’t know he’s one!And I chose him like I chose me,” she sings in the oh-so-spy “Rite,” which fondly recalls such glistening Petula Clark gems as “Round Every Corner.” With sincerity, grace and passion, Meade has created her very own lush life in “Dreamer’s Book.”

DAVID BYRNE
Grown Backwards
PRODUCERS: David Byrne, Patrick Diellet
Nonesuch 79826
RELEASE DATE: March 16
For his first Nonesuch outing, David Byrne offers a series of intimate songs, in which his voice takes center stage, framed by a diverse group of accompanists, from jazz composer/ pianist Carla Bley’s band to French horn virtuoso Jerry Meyers. The panoply makes for an eclectic mix that typifies Byrne’s polymath musical interests. Best cuts include “Tiny Apocalypse” and a wry cover of

Lambchop’s “The Man Who Loved Beer.” Adding to the pastiche feeling of Grown Backwards, Byrne has placed two standards from the operatic repertoire: “Un di Felice Eterea” from Verdi’s “La Traviata,” sung in ghastly Italian, and—partnersing with Rufus Wainwright—“Au Fond du Temple Saint” from Bizet’s “Les Pêcheurs de Perles,” delivered in awkward French. Despite the language gaffes, Byrne’s delivery is sweet, tender and instantly endearing. AT

R&B/HEP-HOP

SEEK
Journey Into Day
PRODUCERS: Freddy Lester, Lisa Terry
Billy Fields, Alex Lowe
Brash Music/ADA BR54-63001
RELEASE DATE: March 9
Atlanta’s Seek is a six-piece band featuring lead vocalist Lisa Terry, producer/songwriters Freddy Lester and Billy Fields, drummer Brad Hasty, percussionist/vocalist Tina Howard and key- boardist Chris Kounellis. Its independ- ently released 1999 debut, “Venus and Mars,” was followed in 2002 by “Sur- render.” The group’s third album con- tains the same line-up and overall sound, including the hit song. “Seek” was released in 2003 and has been well-received by critics and fans alike. The album features a mix of genre-bending tracks that have been praised for their unique sound and production. The album was released on the label’s own imprint and has received critical acclaim, earning a spot on the Billboard chart. The album features guest appearances from various artists and has been praised for its eclectic and innovative sound. The album has been critically acclaimed and has received positive reviews from music critics and fans alike. The album has been praised for its unique sound and production, and has been featured on various music charts. The album is available on streaming platforms and digital downloads. The album features a mix of genres, including hip-hop, R&B, and alternative, and has been praised for its innovative sound and production. The album has been critically acclaimed and has received positive reviews from music critics and fans alike. The album has been praised for its unique sound and production, and has been featured on various music charts.
for their first studio effort in five years. And the road-scared band effectively stradles the line between loose rock swagger and radio-friendly hooks. Bobby Heuck's earnest vocal on "What's Wrong With Love Songs" effectively conveys the sentiment, as in "Janie & Me" and the too-cool "Walter" cleverly tilt toward the Americana side of the Dogs' pedigree. "Wrong Love at the Right Time" and "Mr. Rain" nicely blend Heuck's rapid-fire vocals with Neil Young-fused guitars and crisp percussive elements. "Half of My Mind" is a fine midtempo that benefits from a muscular Heuck vocal and a Rodney Foster co-write, and "Make Your Mama Proud" owns a lyric firmly planted in mainstream country territory. "Cowboy" and "Baby's Coming Home" are well-executed Eagles-esque country rock, and "Forever You" boasts a soaring melody and shimmering production. This is a completely satisfying collection that sets up the Blue Dogs poised for success far beyond their Palmetto State back yard.—RW

JAZZ

▶ THE BAD PLUS

PRODUCER: Tchad Blake, The Bad Plus
COLUMBIA: 90277
RELEASE DATE: March 9

One of the rare uncompromising jazz bands that has crossed over into rock territory by organically fusing crunch with swing, the Bad Plus follows up its second album, "These Are the Vistas," with "Give." It’s another gripping CD of thunder and lightning facilitated by producer Tchad Blake. The trio cooperative of pianist Ethan Iverson, bassist Reid Anderson and drummer David King requires comic-pense-to-improv original as the cooker "Layin‘ a Strip for the Higher-Self State Line," the quiet-to-dizzling suite "Do You Sumo/Die Like a Dog/Play for Home" and the fast and melodic "Here We Test Our Powers of Observation." With rock rhythms and high-caliber improvisation, the band delivers lyrical-to-anguished deformities of pop tunes, including a journey through the funk of "Velouria" and a riff-plunged plunge into Black Sabbath's "Iron Man." The Bad Plus also pays homage to like-spirited jazz iconoclast Ornette Coleman with its playful rendering of his "Street Woman," featuring Iverson's rollicking piano brilliance.—DO

DVD-AUDIO

MARVIN GAYE

Let's Get It On

PRODUCERS: Marvin Gaye, Ed Townsend, Motown/UDE 800192219
RELEASE DATE: Feb. 24

What could be better than Marvin Gaye's supreme expression of desire, "Let's Get It On?" Gaye is one of the sexiest, most soulful stars to come out of Motown, and he stands out among the sinner-soul jams featured on this 1973 classic. The fully restored track tapes were available for digital transfer and remix by a talented team of engineers including Cal Harris, former director of recording for Motown Records. They don't make them like this anymore, so it's well worth highlighting this V-A DSD team CD section. Extras include a studio interview with late co-producer Ed Townsend, liner notes and Gaye's catalog, including audio samples.—CW

REISSUES

THE JACKSONS

The Essential Jacksons

PRODUCERS: various
EPIC/LEGACY 86455
RELEASE DATE: March 9

While Motown has effectively chronicled the Jackson 5's music a number of times during the last two decades, many fans of Epic have been curiously neglected. This has now been remedied: "The Essential Jacksons" is the only greatest-hits set available for CD buyers. The 19-track collection—oddly, not remastered—includes the album versions of all but two of the group's chart-topping singles: "Body and Soul" and "I Love You." The 1984 album "Victory," are missing. "Essential" features eight top 10 Hot R&B/Hip-Hop Singles & Tracks hits, including "I Want You"

SINGLES

Edited by Michael Paolletta

POP

▶ KYLIE MINOGUE

Red Blooded Woman (4:18)

PRODUCER: Johnny Douglas
WILLIAMS: Douglas, K. Poole
CAPITOL: 930766 6 18430 2

While the first single from Minogue's "Body Language" album—"Slow"—didn’t exactly set radio airwaves on fire, programmers and listeners should be more receptive to the excellent second offering: "Red Blooded Woman." After all. Britney Spears proved that programmers would open up to a second single with her smash "Toxic." Certainly, there is more than a chance at a second single, too. "Red Blooded Woman" is a sexy, sultry ballad that wouldn't be out of place on the club. The number that sounds like a Timbaland production—but it's not (like Dougie helmed the track). Reminiscent of Justin Timberlake's haunting hit "Cry Me a River," Minogue's "Red Blooded Woman" deserves a shot at mainstream top 40 and rhythmic success.—KC

▶ RYAN PENNY & M.E. (3:39)

PRODUCERS: Danny Kortchmar, Harris, Hannah, Hans, Hannah
PUBLISHERS: Jam n Bread Music, ASCAP
COLUMBIA: 3CGR 10043 (CD single)
RCA: 3CGL 10043 (CD single)

Released. "Baby's Coming Home" (Isaac, Taylor and Zac from Tulsa, Okla.). In the late '90s, this trio jump-started teen pop with the hyper-hubbly "MMM Bop," which spent three weeks in pole position on "The Billboard Hot 100." The album from which it came, "Middle of Nowhere," missed the No. 1 spot on "The Billboard 200" by one position. The second single, "Cry Me a River," failed to crack the top 40 and albums failed to spark the same kind of excitement. Now, four years after its last studio effort ("This Time Around"), Hanson returns with this into its third studio recording, "Underneath," due April 20 from the act's own 34C Records, distributed by ADA. From boys to men, the members are now all grown up. The same is true of their sound, which packed in the catchy, hook-laden melodies and dance-pop that were produced by Danny Kortchmar (Don Henley, Billy Joel), "Penny & M.E. is strong, melodic pop-rock. It's a refreshing sound for today's pop market, one cannot help but wonder if the "Hanson" name will help or hurt today. Let's hope radio programmers will listen to this gem with open ears.—MP

R&B/HIP-HOP

▶ ANTHONY HAMILTON

Charience (4:06)

PRODUCER: Mark Batson
WRITERS: A. Hamilton, M. Batson
PUBLISHERS: Songs of Universal/Tappy Topper, Sony/ATV, Lavigne
SARSEAL 350883 (Producer)

Having shared a bit of himself by way of his debut single, "Comin' From Where I'm From," Anthony Hamilton opens his heart and soul again with "Charience." Hamilton tells the semi-autobiographical tale of a man gracing his career on that he doesn't realize what’s happening in his life—his woman and child—until it’s too late: "Baby, I'll be sitting here waiting on you to come home against all I leave/Promise I'll be here till the very end/And I'll be by your side/Take you and protect you and take you to the end/To be with you for life." Hamilton's gritty, church-honed voice conveys the ballad's sentiment with such emotion that you feel as if you have also gone through the experience. Adult R&B radio should be all over this one. This is the essence of soul music.—RH

NEW & NOTEWORTHY

▶ CHERIE I'M Ready (3:21)

PRODUCERS: Lukas Burton, Ria Dilone, Greg Wiliams
WRITERS: various
LABEL: Jive

I'm Ready" is the debut single from 19-year-old French-born Cherie. The song is straight-ahead, punchy, yet good, with a good beat. The uplifting track is buoyed by Cherie's solid vocal chops. The song, top-tapping in the R&B quadrant, is a musical foundation is based on a sample of a guitar riff from Foreigner's "Urgent." Sure, that might sound like an odd combination, but it works well. "I'M Ready" impacts mainstream top 40, adult contemporary and adult top 40 March 22. Cherie's self-titled debut album will be released June 15.—KC

KANYE WEST FEATURING SYLEENA JOHNSON

All Falls Down (3:42)

PRODUCERS: Kanye West, L. Hill
PUBLISHERS: Gimme My Publishing/EMI Blackwood, BMI; Sony/ATV Tunes, BMI
ROCO-A-FELA 16003 (CD promo)

With his "College Dropout" debut album still perched pretty in the top 10 and quickly approaching platinum, Kanye West is riding pretty high. The producer-turned-MC shows no signs of slowing down with his second single, "All Falls Down." Where lead single "Through the Wire" was an autobiographical tale, "All Falls Down" allows West to take on societal issues over a sparse, acoustic-guitar-laced track. Lyrically, West drops one conscious jewel after another: "She's so precious with the peer pressure/Couldn't afford a car so she named her daughter Alesxx... Single black female addicted to retail." Interpolating a sample of Lausyn Hill's "Your Love," Kanye's collaboration with Syleena Johnson provides the song's emotive hook. With everything West turns to gold, mainstream R&B will surely pick up on this.—RH
Retail Preps For Big Year In Surround Sound

BY STEVE TRAUMAN

NEW YORK—This could be the breakthrough year for the two 5.1 channel “surround sound” DVD-Audio and Super Audio CD high-end music formats.

With more Home Theatres in a Box (HTIB) systems incorporating players that can handle audio CDs, DVDs or both “new” music formats at consistently lower prices, more U.S. households are taking the home theater route.

Latest figures from the Consumer Electronics Assn. show 2003 sales to dealers of 808,000 DVD-A players and 629,000 SACD units, with some overlap of “universal” combo models, according to CEA analyst Sean Wargo.

POSITIVE OUTLOOK

Most major music/electronics chains are enthusiastic about the prospects for the surround formats. All agree that their incompatibility is a problem and that including bonus content at regular front-line pricing is a plus.

Here is a sampling of retail exposure and outlook for DVD-A and SACD at Circuit City, Hastings, Muscian, Best Buy, Newbury Comics and Tower.

“We’re glad to carry hardware and software for both SACD and DVD-Audio for music enthusiasts who want the latest in audio technology,” says Jim Babb, marketing spokesman for Circuit City’s 618 superstores and five mall-based outlets.

“These advanced formats offer superb sound quality, and listeners can hear the music the way the artist intended it,” Babb adds.

The chain carries two SACD/DVD Sony component decks and a pair of Sony HTIB SACD-compatible audio systems. For DVD-A, Circuit City has two Panasonic HTIB systems for DVD-A/DVD and a Pioneer single-disc combo component deck that plays DVD-A, SACD, CD and DVD.

“We still display a limited number of SACD and DVD-Audio titles on end caps,” Babb notes, “along with the (Continued on page 57)
Retail

A Guide To What's Worth Seeing at SXSW Conference

If you're packing your bags for Texas right now, you might want to check out the plentiful selection of indie-label showcases during the South by Southwest Music Conference and Festival (SXSW) March 17-20 in Austin.

By The Indies’ count, there are between 20 and 30 independent shows at SXSW on each of the festival’s four nights. Multiply that by five acts — the average tally per venue — and you have an absurd bounty of musical choices to choose from if you’re pursuing an all-independents course up and down Sixth Street.

We aren’t offering any qualitative guarantees, but here are a few shows we’re going to try to hit:

Tiger Style Records: Buffalo Billiards, March 17. We’re big fans of the wonderful Memphis band Lucero, which is worth the trip by itself.


Rykodisc: Bigby’s, March 18.

Rykodisc: Cafe Leopold, March 18.

Rykodisc: Stubb’s, March 18.

Rykodisc: the Blender Bar at the Ritz, March 19. Seattle’s finest offers All Night Radio, the Catheters and Kinski.


The Indies Group: The Hole in the Wall, March 20. Country and Americana fans should note an evening featuring Darden Smith, the Silos, Jim Lauderdale and (wow) the legendary Cowboy Jack Clement.

A FEW SXSW HINTS: Tired yet? We are just from looking at the list above. If you’re a SXSW neophyte, the Indies (who’ll be making the Austin scene this year after a long absence) would like to offer a few tips:

One: Plan your evening club route in advance. If more than two acts on a bill look good to you, go to the show early and plant yourself there for the night. It’s tough to get into the clubs late in the evening.

Two: Wear comfortable shoes. Cowboy boots may be de rigueur in the Lone Star State, but they’re not so stylish after five hours on your feet. Three: This one’s important. Don’t start drinking early in the day. And beware of too much Shiner Bock, long the preferred Austin brew. The hangovers are murder.

Trans World

Continued from page 55

In the fourth quarter, TransWorld generated a gross margin of 36.4% of sales, up from the 35.9% it accumulated in the same time period in the preceding year, while SG&A expenses increased to 24.1% from the 23.7% it had been in the 2002 period.

Looking at the same-store ratio by product line, movies were up 16% and the “other” category, which includes personal electronics, boutique and accessories, was up 8%, while videogames were down 9% and music was down 4%, according to Sullivan.

As a percentage of business, music comprised 50% in the fourth quarter, video 31%, videogames 7% and other product 12%, he said.

Looking at the balance sheet, after cash on hand, while inventory and the company expected to have $70 million in cash on hand, while inventory at year-end was $472 million.

The company finished the year with 855 stores and a total of 4.9 million square feet of selling space, which means that inventory stood at $77 per square foot, up 1% from the previous fiscal year. “We expect to be back to last year’s level by the end of the first quarter,” Sullivan said.

Looking ahead, TransWorld expects to post positive comparable-store gains in its current first fiscal quarter. “We thought February would be our toughest month of the year,” Sullivan said, “and yet it has turned into a good month for us, so we expect decent first-quarter results.”

S downtown. The independent market is the key to TransWorld’s success, said Sullivan. “It’s a real vote of confidence in our business.”

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Virgin Strikes Virtual Sales Deal With MusicNet

In announcing a digital online store with MusicNet, the Virgin Group becomes the first traditional music specialty store to move into the virtual sales space.

The digital download store, which is using the Windows Media format, will come online in the United States in August. A European offering is expected by November, with back-room functions like fulfillment, database management and most licensing handled by MusicNet.

“One hundred percent of the customer interface is us,” including customer demographics and billing data, says Zack Zalon, who will head the Virgin Digital initiative.

The deal represents the second account for MusicNet, which also serves as the business-to-business provider for the AOL download store.

The Virgin Digital store will initially offer 700,000 tracks—mainly MusicNet-licensed tracks supplemented by Radio Free Virgin licenses.

Customers will have the option to purchase à la carte downloads at about 99 cents or pence, or through subscriptions on a tethered basis at $8-$10 per month for Virgin Music Club members. Both options will be available on the Internet in the chain’s brick-and-mortar stores, on mobile phones and on other portable devices, the company says. "Passionate music fans have made it clear that they want their music when they want it, where they want it and how they want it,” Richard Branson, founder of the Virgin Group of companies, said in a statement. “Well, we’ve heard them.”

“Consumers expect simplicity, and they expect evenness. If something is available on subscription, it should also be available on à la carte basis and in our radio service,” says Zalon, who is also GM of Radio Free Virgin. “That is what we are working to ensure for our customers.”

While others say that will be difficult to achieve from the majors, Zalon says licensing, while still protecting the music in subtle ways, is conforming with the new advantages in technology to allow for more flexibility in music portability.

The initial digital-download offering "gives us a bigger catalog than the other [commercial] players ... bigger than Apple and Napster," says Simon Wright, CEO of Virgin Entertainment Group (VEG), who adds that selection will grow to 1 million tracks soon. As the out-of-the-box industry leader, Apple and its iTunes store came into Wright's and Zalon’s sights a couple of times while the two related plans for Virgin Digital. In contrast to Apple, which is trying to sell hardware, "we bring a richness to the offering as a retailer," Wright says.

Virgin will oversee the online store’s merchandising and any editing functions. Like the Megastore brand, Virgin Digital will focus on strong selection and smaller genres like blues and jazz and music that the other sites are ignoring, Zalon says.

Wright adds that Virgin Digital will offer “exclusive customer service features and the passion and attitude that defines the Virgin experience.”

VEG plans to promote the site in the Megastores as well as tout its brick-and-mortar outlets as a destination where customers can load up their digital players or burn digital tracks as physical singles. It has not yet been determined when such a kiosk will be introduced to the Megastores. However, while there are 40 portable devices that can handle the Windows Media format, the iPod does not.

What’s more, Virgin Digital and VEG’s online physical goods store, run by amazon.com, will be linked, according to Wright.

The Virgin Digital initiative seems to throw further doubt on the viability of the Echo consortium, a digital store effort formed last year by some of the leading U.S. merchants.

NARM AHQ: At its Feb. 25 summit in Dallas, the National Assn. of Recording Merchandisers (NARM) formed two task forces to focus on in-store CD burning and the dual-disc format.

The next convention, which will be held in the summer for the first time, continues to be a major focus of the organization. In particular, it hopes to expand involvement from the independent community through programming, with a committee chaired by Newbury Comics COO Duncan Browne, lower dues options and convention registration fees for very small companies.

In other news, executive VP Jim Donio was named acting president of NARM (billboard.biz, March 5).

Surround Sound

Continued from page 55

appropriate hardware. We also offer hybrid SACD/stereo discs that play on standard CD players, displayed with the standard CDs by artist or genre. SACD and DVD-A titles are also found online at circuitcity.com.

“We’ve been committed to both formats from the get-go,” says Brian Everitt, director of music operations for Hastings Entertainment, “but we haven’t seen a wide variety of new releases over the past 12 to 18 months.”

All 149 Hastings outlets carry the hybrid stereo/SACD titles, and about 100 stores typically offer about 50 DVD-A and 30 SACD albums. The chain is selling one Sony DVD player that is SACD-compatible.

CROSS-MARKETING HELPFUL

From the start, Hastings has been offering signage, informational brochures and exposed titles with CDs and, more recently, near the music DVDs, which seems to be working.

“We’ve done some cross-marketing of the Sony player and SACD titles, and they are merchandised in close proximity in the music department,” Everitt adds.

For the Musicland Group, marketing spokesperson Laurie Bauer reports, “We have DVD-A at 220 stores, including all 70 Media Play and about 150 Sam Goody outlets, and we have 16 Sam Goody and Media Play stores carrying SACD, with a very good title selection assortment for both formats.”

There are not any plans to expand inventory at this time, and the chain is not yet carrying any of the new players, as she explains. "Without a 'unified' vendor push on either format, the outlook is questionable. More education is needed, since the average consumer is confused about these formats."

All Best Buy stores carry DVD-A and SACD titles. Space and signage was expanded this past year, marketing spokesperson Brian Lucas notes. "Stores are offering one DVD-A and one SACD player and three combo models, with a Pioneer unit a 'best buy' at $149," he adds.

"Cross-marketing plans are in the works for later this year," Lucas says, and while it’s definitely a niche market now for those who want a higher-end audio experience, we’re very excited about the potential."

More combo players offer an Upside in added playback for consumers, but Lucas feels the jury is still out on mainstream acceptance.

Natalie Walek, music buyer for the 25-outlet Boston-based Newbury Comics chain, recalls that when DVD-A was introduced, several titles were tested in one store near a Tweeter home electronics outlet, and word-of-mouth cross-marketing resulted in some sales.

"Since then we’ve looked at the artist and title, with new releases and major reissues exposed in all the stores," she says.

In February, two Boston Newbury stores were part of a test of a double-sided "dual-disc" with a regular CD version on one side and a DVD-A 5.1 version on the other, with video extras at a regular front-line $18.98 list price.
VHS Still Holds Its Own In A DVD World

BY JILL KIPNIS

LOS ANGELES—Though the past seven years have seen continual declines in VHS sales and impressive sales gains for DVD, most retailers and studios see a healthy future for VHS.

“There are still tens of millions of households that have VCRs that are actively using them,” says Dave Feldstein, senior VP of marketing communications for Twentieth Century Fox Home Entertainment. “There is still money to be made with VHS.”

Indeed, VCRs are present in more than 92% of U.S. households, according to the Consumer Electronics Assn. Consumers are spending upwards of $6 billion either renting or buying VHS tapes each year, according to the Digital Entertainment Group (DEG).

But DVD is coming on strong and has long surpassed VHS in software revenue. The DEG says that consumers spent $16.1 billion either renting or buying DVDs in 2003 and that DVD players are expected to reach two-thirds of U.S. households by the end of 2004 (Billboard, Jan. 17).

SUPPLY BY DEMAND

The challenge that retail chains and video distributors are now facing is how to position VHS in an increasingly DVD world. Their overarching strategies involve reducing self-through VHS offerings by determining, on a title-by-title basis, if VHS releases are merited.

Though some retailers, such as Circuit City and Best Buy, have completely phased VHS out of their in-store inventory, most chains still support the category.

“We stated a long time ago that we would carry VHS as long as there is demand,” says Dave Alder, senior VP of product and marketing for Los Angeles-based Virgin Megastore. “We want to serve niche needs and serve customers who can’t find the product anymore. That said, VHS sales have obviously diminished significantly over the last year. We’ve experienced a 60% decline in the [past] 12 months. VHS comprises only a half-percentage point of our business.”

Alder says that VHS is still carried in every Virgin store but that inventory is determined on a per-title and per-location basis. Virgin’s Phoenix and Denver stores, for example, carry more children’s VHS titles than its New York and Los Angeles locations.

Rental giant Blockbuster is utilizing a similar strategy. “By the end of 2003, about 80% of movies we rented were DVD and 20% were VHS. By the end of 2004, we may be trending at 90% DVD and 10% VHS,” says Karen Raskopf, spokeswoman for the Dallas-based chain. “Our goal is to satisfy the consumer. Our buys will reflect what customers are doing.”

Stores are also looking at each new home video project closely to decide if a VHS release would be viable.

Some studios are opting out of VHS entirely with their new home-video releases. Last year, New Line Home Entertainment released the Patricia Arquette/Tim Robbins film “Human Nature” on DVD only. Buena Vista Home Entertainment released the “Steven Soderbergh-produced” “Napoleon Dynamite” only on DVD last year. Neither studio was available for comment.

Though these “no-VHS” decisions are few, the VHS versions of a growing number of new releases are available only at a rental price.

Upcoming rental-only VHS releases include: DreamWorks Home Entertainment’s “House of Sand and Fog” (March 30), Columbia TriStar Home Entertainment’s “Something’s Gotta Give” (March 30) and Fox’s “Master and Commander: The Far Side of the World” (April 20) and “In America” (May 1).

“We look at it release by release and [in terms of] what is the best marketing strategy for each release,” Feldstein says. “Last year, ‘Daredevil’ and ‘TX’ were sell-through priced for VHS. In those cases, our research told us that we should own these titles, regardless of format.”

Titles aimed at children are still highly viable as VHS sell-through. In late 2002, 60% of first-year titles for the Spirit: Stallion of the Cimarron were on VHS, the company’s domestic head, Kelly Soooter, says.

“There are VHS households out there,” Soooter says. “If nothing else, VCRs have become the entertainment format for children’s rooms. People that have maintained their VHS business are going to see the upside in terms of revenues and margins. You aren’t seeing the loss leadership in the VHS sell-through category like you are on DVD.”

STRONG VHS CATEGORIES

The children’s category is by far the strongest self-through performer for VHS, though other genres are also holding their own.

Steve Pepe, DVD/video store group merchandising manager for Seattle-based Amazon.com, says that the No. 1 VHS seller for the week of March 1 was the exercise title “Yoga for the Rest of Us With Peggy Cappy” (WGHI Video).

Three top titles were child-oriented. Additional top 10 VHS titles were “Blue Collar Comedy Tour” featuring Jeff Foxworthy (Warner Home Video), “Seasibuscit” (Universal Studios Home Video) and “Winged Migration” and “Whale Rider” (both on Columbia TriStar).

“People are also taking that VCR and moving it into the workout room,” Pepe says. “Some VHS sellers are skewing older because people haven’t made the switch to DVD yet.”

The affordability of DVD, however, is fast attracting the less tech-savvy consumer.

The accessibility of DVD players will be driving people into the DVD category in the next few years,” Raskopf says. “In studies, we have seen that the early adopters came from a higher income bracket. The second wave has had a lower income, and the third wave is lower still.”

‘Shrek’ DVD Goes 3-D With Short Story Bonus

Consumers don’t have to wait until the May 21 theatrical release of “Shrek 2” to see some new adventures with Shrek, Princess Fiona and Donkey.

On May 11, DreamWorks Home Entertainment is releasing a DVD two-pack, featuring the original “Shrek” film. With it will be a new 15-minute, 3-D animated story. According to DreamWorks, “Shrek” sold 26 million VHS/DVD units when it was released on video in 2001. “Shrek 3-D” picks up where “Shrek” finished, with newlyweds Shrek and Princess Fiona riding away in an onion carriage. The short involves Shrek and Donkey having to rescue Fiona. The original voice cast of Mike Myers, Eddie Murphy and Cameron Diaz returned to participate in “Shrek 3-D.”

The two-pack has a minimum advertised price of $16.95. It includes a trailer for “Shrek 2,” a coupon for a free pack of Stinkles and four pairs of 3-D glasses. (“Shrek 3-D” can also be viewed in 2-D).

“Shrek” was tamed perfectly, as people are getting hyped up and ready to see the new movie,” says Kelly Soooter, domestic head of DreamWorks Home Entertainment. “This gives the company a chance to get re-immersed in the story and characters.”

Soooter says that there is a large potential DVD audience for a re-release of “Shrek.” “When it first came out on video, it was primarily a VHS world. Since that time, there are 30 million new DVD households in the marketplace, and these consumers are starting to build libraries. The new story also gives the reason to trade up from VHS.”

GO GO GADGET: Inspector Gadget will star in a new feature-length animated film coming to DVD by mid-2005.

“Inspector Gadget Saves the Day . . . Maybe,” which will be created entirely with CGI animation, is a co-production between Mainframe Entertainment and DIC Entertainment. DIC will distribute the title internationally, while Lions Gate’s Family Home Entertainment (FHE) division will distribute it domestically. The project is also expected to air as a TV special.

“The original series still runs everywhere and is very popular,” says Andy Heyward, chairman/CEO of DIC. “The character really appeals to different generations.”

Though marketing for the project is still being discussed, Heyward says that DIC will be working with promotional partners. DIC previously linked with McDonald’s for the live-action “Inspector Gadget” theatrical film in 1999.

FHE president Glenn Ross says that DIC and Mainframe approached him about the project because of FHE’s “reputation for being able to exploit children’s brands.”

Indeed, FHE has just announced is releasing “Nick Trivia Challenge” (2/24.99), a “Trivial Pursuit” style interactive DVD game that features 200 clips from nine Nickelodeon shows, including “Dinosaurs,” “Blue’s Clues,” “Rugrats,” “Teenage Mutant Ninja Turtles,” “合わせて” and “Wild Thornberries.” Categories include “Who Am I?,” “Say Cheese” and “Name That Tune.”

Fans of college football can revisit the entire Bowl Championship series (BCS) for the first time in a series of DVDs, Triumph Marketing and DVD Marketing in conjunction with the ABC Sports Network and Championship Television, are releasing separate DVDs of this year’s Nokia Sugar Bowl, Citi Rose Bowl, Tostitos Fiesta Bowl and FedEx Orange Bowl for $24.95 each. The last five BCS National Championship Bowl games are also available at retail for the first time. The 1999 to 2003 game titles are $24.95 each.

THIS AND THAT: Look for Tower Records stores to start a new family-oriented DVD promotion in April. DVDs on the Go displays will showcase family titles and accessories for cars with DVD players . . . First Look Home Entertainment is expanding its self-through department. It has hired Michael Ketchman as VP of sales and Marty Dalti as sales manager. Both formerly worked for Lions Gate Home Entertainment . . . Flexplay Technologies, the New York-based company that markets the EZ-D VHS to DVD player discs, is opening a new office in Los Angeles. West Coast operations will be headed by Charles L. Ball Jr., Flexplay executive VP of studio relations and business development.
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Opera Gets Rock, Pop Makeover

BY JIM BESSMAN

Opera-pop crossover acts are becoming a veritable cottage industry, but the East Village Opera Co. is markedly different.

Thanks to Canadian composer/multi-instrumentalist Peter Kiesewalter—who heads the New York-based troupe with vocalist Tyley Ross—traditional opera arias and familiar Italian/Neapolitan song repertoire is re-fashioned by incorporating a variety of pop music genres.

“Everyone knows ‘La Donna è mobile’ from ‘Rigoletto,’ which is used in a lot of commercials,” Kiesewalter says, pointing to the famed song from Verdi’s warhorse. “We took the melody and reharmonized it in a more rock idiom that definitely references Queen and also straightened out the original 3/4 rhythm to a straight 4/4 groove modeled after Janet Jackson’s ‘Rhythm Nation.’”

The reworked tune is on the company’s new Canal Records debut disc, “La Donna,” as is “La Serenata,” the Neapolitan romance standard by Francesco Paolo Tosti and Giovanni Alfredo Cesareo.

“The lyrics reminded me of Bill Monroe’s ‘Blue Moon of Kentucky,’” so we gave it a bluegrass treatment, with acoustic instruments including [Tony Trischka’s] banjo,” Kiesewalter continues. Lead track “Vesti la Giubba” from Ruggero Leoncavallo’s opera “Pagliacci,” he adds, “lent itself to rock’n’roll.”

“Opera is all about spectacle and overblown emotions,” explains Kiesewalter, a Wild Boar Productions (SOCAN) writer who was trained in classical clarinet and remembers a childhood visit to the famed Wagner opera festival in Bayreuth, Germany. More recently, he has worked with the likes of fellow Canadian artist Jane Siberry and New York’s annual “downtown Messiah” ensemble, in addition to scoring for films and TV. The East Opera Co., in fact, evolved out of his score for indie feature “The Kiss of Debt” starring Ross and Ernest Borgnine.

“They wanted an Italian opera music soundtrack, but it would have sounded like a bad student recital if we'd taken the straight path,” Kiesewalter says. “So we adapted opera to our sensibilities and at least present more modern interpretations.”

A good example here is the overture to Rossini’s ‘Barber of Seville,’ which the company performs live. “Everyone’s heard it from the Bugs Bunny cartoon—which we reference,” Kiesewalter notes. “But we also play it over the groove of Eminem’s ‘Lose Yourself’—and it’s a sublime fit. So in this genre of ‘classical crossover’—which is pretty dubious at best—we’re truly crossover in radically reinterpreting this music.”

“But, Kiesewalter points out, ‘there’s no doubt in my mind that these composers would be using all the modern music instruments and production tools we’re using if they were alive and writing these operas today.’

Queen Gets Musical Treatment

Queen is ready to rock Paris. That’s Paris, Las Vegas, where “We Will Rock You,” London’s hit musical based on the music of Queen, will have its U.S. premiere in September.

“When you think of Queen the musical, Vegas is the right place for us to go,” says Jane Rosenthal, co-founder with Robert De Niro of Tribeca Theatrical Productions, She, De Niro and Queen guitarist Brian May and drummer Roger Taylor are four of the show’s several producers.

“Queen is ready to rock Paris. That’s Paris, Las Vegas, where “We Will Rock You,” London’s hit musical based on the music of Queen, will have its U.S. premiere in September.”

stillwater: “I just listen to the music.”

 Featuring 25 Queen classics, including “Bohemian Rhapsody,” “We Are the Champions,” “Another One Bites the Dust” and “We Will Rock You,” has been an SFO attraction in London’s West End since opening in May 2002.

The domestic production, to be presented in the 1,450-seat Paris Theatre des Arts, includes complex laser light effects and six huge plasma screens. It depicts a future where individuals rebel against conformity to the tunes of Queen.

“Just listen to the music,” enthuses Rosenthal, who with fellow Queen fan De Niro approached the band’s manager. Jim Beach, eight years ago about conceiving a theatrical Queen project together. “Bo-Rhap” is one of the best songs ever, and their concerts were always extremely theatrical, conceptual-driven and full of energy and excitement. That’s what this show has going for it, too.”

BOMBAY ON BROADWAY: In another London-to-United States musical move, “Bombay Dreams”—London’s hit musical based upon the music of superstar Bollywood composer A.R. Rahman, produced by Andrew Lloyd Webber (Billboard, Sept. 6, 2002)—is set to open April 29 in New York at the Broadway Theatre.

HFA’S TRUSONIC PACT: In the first arrangement of its type for the Harry Fox Agency, it and the TruSonics business music and messaging service have struck a deal whereby HFA will provide mechanical licensing for songs from its affiliated music publishers for digital background music played on TruSonics equipment.

“TruSonics delivers sound recordings through the Internet to secure proprietary digital storage devices that play background music in commercial establishments ranging from Petco Pet Supplies to Comp USA. As the procedure utilizes a server copy that is distributed to clients, a mechanical license is required. HFA, which is the licensing arm of the National Music Publishers Assn., and represents more than 27,000 U.S. music publishers, will issue licenses and collect and distribute royalties for the compositions for it represents.”

Following the Grammy Awards, which for the second consecutive year were broadcast in surround sound, the telecast of the 76th Academy Awards, held Feb. 29 at the Kodak Theatre in Hollywood, also offered surround audio.

New York-based Remote Recording brought its Silver Studio, a new VR-equipped remote recording truck, to the West Coast to provide a surround-sound mix for the broadcast.

The Silver Studio is outfitted with a Martinson MX-MLR surround-sound monitor controller and B&W HTM 5.1-channel speaker array for surround mixing.

The surround mix was appropriate to the nature of the event, Remote Recording chief engineer David Hewitt says. “The music wants to be representational of the house,” he says. “It’s a promenium show; the orchestra is in a pit. Doing the orchestra, we essentially send a stereo [mix] and LFE [low frequency effects] over to production.”

Academy Awards audio director Ed Greene “spread it out a little bit and added the ambiance and certain of his tricks,” Hewitt adds. “So it was in fact a full surround mix. It really was emulating the sound of being 10th row center.”

“Where’s I am at with these things, anyway, I’m not interested in trying to put the woods behind you and things like that. But it was very nicely done. It sounded pretty good.”

Future Oscar telecasts will feature surround sound, Remote Recording studio manager Karen Brittton predicts. “It came off without a hitch, so we’re happy,” she says. “We’ve gotten only positive reports and feedback.”

IN THE 5.1 ZONE: Britney Spears’ “In the Zone” (Jive) is expected to be released in the DVD-Audio (DVD-A) format this spring, according to BMG Senior director of new technology Kevin Clement. “In the Zone” was recently remixed in 5.1-channel sound by Chris Haynes of Los Angeles-based 5.1 Production Services.
Labels Set Sights On CD/DVD Hybrid

BY CHRISTOPHER WALSH

As CD and DVD orders collectively keep replication plants active, the prospect of the formats' convergence on a single disc continues to percolate. For several years efforts to develop a CD/DVD hybrid have resulted in discs too thick to fit into or be played by the vast numbers of CD and DVD players, though Sonopress created a small number of CD/DVD hybrids, including an EP for RCA act the Calling.

In November 2003, Rounder Records released Kathleen Edwards' "Live From the Bowery Ballroom" on a DVD Plus disc, a hybrid CD/DVD-Video featuring three audio-only tracks on one side and two videos on the other. The 1.48-millimeter-thick disc plays on all CD and DVD players, according to DVD Plus International founder and co-CEO Dieter Dierks.

In January, Rounder announced a deal with New York's PBS flagship, Thirteen/WNET, to release films from the "American Masters" series—documentaries on artists including Bob Marley, Ray Charles and Aretha Franklin—on the DVD Plus format. The offerings will feature the film on one side and a music-only compilation on the other.

In early February, all five major labels quietly began to testmarket a hybrid CD/DVD that they referred to as "DualDisc." Far from a product launch, 18 titles were offered through select retailers in Boston and Seattle.

Label executives were reluctant to discuss the DualDisc, instead issuing similar statements noting the disc's ability to "offer consumers more options in how they experience our music" and "provide consumers with [Continued on page 66]"

On The Beam

MEDIA REPLICATION

Burning The Midnight Oil To Meet High Disc Demand

BY CHRISTOPHER WALSH

At 6 a.m. on Nov. 28, 2003, a frenzied mob trampled Patricia Van Lester at the Wal-Mart Supercenter in Orange City, Fla. Most of the zealous holiday shoppers, according to news reports, were oblivious to the unconscious woman, underfoot as they stormed toward shelves stocked with $29 DVD players.

The incident may not speak well of the civility of Floridians, but it certainly was revealing in another sense. DVD, so far the most successful consumer electronics format in history, provokes a fierce—sometimes unseemly—passion. Media replication companies are unanimous in reporting that, as the Wal-Mart incident illustrates, DVD kept them very busy in 2003. Forecasts are bullish for continued growth in optical-disc replication, perhaps tripling to nearly 7 billion units by 2006, according to one study. They provoke more confidence than the replication industry has seen in recent years.

Meanwhile, the prerecorded CD, long victimized by illegal file sharing and blank-CD burning, had a recovery in fourth-quarter 2003. Replicators, seeing a link between litigation and renewed demand for prerecorded physical media, applauded the ongoing efforts of the Recording Industry Assn. of America to curb peer-to-peer file sharing.

New formats, too, are gradually making inroads. As record companies release an increasing number of high-profile titles on high-resolution, multichannel-capable DVD-Audio and Super Audio CD, more consumers are likely to buy those discs as well for home surround-sound setups. In short, replicators have plenty of reasons to cheer. Members of the International Recording Media Assn. (IRMA) will look at the state of their business at the 34th annual Recording Media Forum taking place March 18-20 in La Quinta, Calif. More information on the event is available at recordingmedia.org.

IRMA estimates that more than 55% of U.S. homes now have DVD players. "At IRMA, our own market intelligence indicates [Continued on page 64]"
Packaging Boosts Consumer Demand

**DVD Opportunities Bolster The Production Of Physical Media**

BY CHRISTOPHER WALSH

At a time when “free” illegal downloads have eroded the perceived value of music in the eyes of consumers, the importance of packaging to the replication industry is growing considerably.

Pre-recorded CDs—which have fallen for three consecutive years—continuously reach retail buoyed by eye-catching packages, often containing a DVD and booklet of photos, essays and exhaustive liner notes worthy of a coffee-table book.

“Thankfully, there has been some diminution in the erosion of the overall volume of pre-recorded CDs,” says Richard Roth, executive VP of sales and marketing worldwide for AGI Media. “After a considerable period where there was a lot of change in music companies and a good deal of uncertainty as to how the industry should respond to this challenge, there was a concerted effort to create value in packaged goods.

“Obviously,” Roth adds, “it’s important to derive a revenue stream from electronic delivery, but packaged goods still continue to have their role.”

Consumers, on the other hand, do not need any encouragement to purchase DVD videos. Compared with CDs, the format most plagued by the rise of illegal file sharing, DVDs have been a runaway success, demonstrating the value the public places in the format.

Market analysts note a DVD can generate up to 60% of a film’s total revenue. Consequently, movie studios aim to make a film’s DVD release as momentous as its theatrical opening.

In addition to including a director’s cut and other bonus content, enticing consumers to purchase a specific movie on DVD employs increasingly creative and extravagant packaging.

“Movie studios certainly feel that the merchandising is important to get that DVD to jump off the shelf into your hands,” says David Rubenstein of Gimram, which gained by Hill Packaging, in its 2003 acquisition of Warner Music Group’s manufacturing and distribution division.

“The DVD market continually throws up opportunities for special packaging,” adds Duncan Watson, VP of creative services and marketing at Shorewood Packaging. “Particularly, the trend is for movies to be repackaged and repackaged. Therefore, the collector sets and the special editions tend to be the packages that we have the most opportunity to stretch, from both a design standpoint and a manufacturing standpoint.”

More physically substantial than a simple disc, let alone a downloaded file, a specially packaged disc—for an artist anthology, a hit TV series or an epic film—can strongly encourage people to give music and movies as gifts.

“Our research tells us that roughly 60% of all compilations are gifts,” Roth says.

“As a consequence, the industry has gone one after that sector with a vengeance, and the response has been positive. We’ve seen real demand in the areas of high-end boxed sets this year. Some of them have been really first-rate and exciting.”

Replicators and others assert that consumers have a natural desire to shop and own physical product, so electronic delivery of music and movies will not mean the death of physical media. But creative and functional packaging has provided a shot in the arm for the perceived value of the prerecorded disc.

“Packaging has to be able to attract and differentiate product to consumers,” says David Cobo, director of sales at Univenture, which emphasizes functional and environmentally friendly packaging along with creativity. “If there’s a way that packaging can differentiate or add value, the customer is going to see a need for it as a collector’s item or a useful item. They’ll be less inclined to look at music as merely a file that they can transfer from one location to the next. It becomes an actual, physical product that they want to have a sense of pride in owning.”

**New Revenue For Replicators**

BY DEBBIE GALANTE BLOCK

Optical-disc replicators can find significant new markets beyond the music and movie business, a recent study confirms.

The study that Cambridge Associates performed for the International Recording Media Assoc. (IRMA) identified the leading nontraditional markets for optical discs aside from music CDs and film DVDs.

These uses include distribution of software by Internet service providers, direct marketing, promotional premiums and instructional material.

Less than 0.2% of the more than $200 billion spent in the United States on direct marketing material was spent on optical media, IRMA reports. The association also says its research shows that direct marketing with CDs or DVDs results in three to six times greater response rates than print brochures or advertisements and that production and distribution costs can be 10% to 40% less than catalogs, booklets and other printed material.

The study identified some $425 million spent on optical media in nontraditional markets. The uses responsible for that spending include ISP updates ($200 million), premiums ($128 million), marketing material ($77 million), communications material ($13 million) and information distribution ($5 million).

Replicators agree that these niches offer significant potential new business.

However, Tom O’Reilly, director of marketing at Optical Experts Manufacturing, notes that companies are reluctant to try new techniques in uncertain economic times, even if optical discs can be cheaper to produce than printed materials.

Eva-Tone president Norm Welch agrees. He has added a marketing VP to his staff to seek new markets.

“We are seeing some positive results [in niche markets], and business is building, but it is not like turning on a faucet,” he says. Andrew DiBuzzo, director of sales at Sonopress, thinks it is still an uphill battle to prove discs in new markets. But he is confident of success now that computers have increased penetration in the home market.

Recently, two movie studios, Fox and Columbia Tri-Star, distributed free promotional DVDs with newspapers in New York and Los Angeles to publicize upcoming releases.

Meanwhile, cereal box promotions for children’s DVDs already are a developed niche market, says Gregg Johnson, Deluxe VP of business development. “It promotes the content and sells more cereal.”

In the area of communications, an increasing number of durable-goods manufacturers are using optical discs to provide information to worldwide dealer networks, says George Hadjiyannis, VP of marketing at Zomax.

Sean Smith, director of marketing at JVC Disc America, adds that discs are so much easier to package that he expects DVD usage in this market to be much greater than VHS ever was.

Discs also are used by software companies to promote new products, to provide instruction kits to consumers and as promotional premiums on packaged goods, Hadjiyannis says.

Business card CDs are a booming area, says Joel Levitt, president of Action Duplication. However, he is most excited about an emerging niche in concert tickets. This on-disc printing technology, marketed in the United States by Action Duplication, comes from Auto-tech in Switzerland.

“It gives you printing on the disc, which is a much higher resolution than offset printing. Each disc can be customized,” Levitt says. “If you are doing a ticket CD, it may have music by the group that is performing on it.”

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Demand

Continued from page 61

2.7 billion DVD Video discs were replicated worldwide in 2003, RMA president Charles Van Horn said at the group’s Management Summit, held in December 2003 in New York. “And we’re anticipating growth to 3.6 billion in 2004 and 4.7 billion in 2005.”

These figures have inspired confidence among replicators, as illustrated by several recent deals.

In July 2003, Cinram International, based in Scarborough, Ontario, announced that it would acquire the CD and DVD manufacturing and physical distribution arm of the Warner Music Group. More recently, Crest National, based in Hollywood, purchased the assets of Anaheim, Calif.-based Concord Disc Manufacturing.

“That basically doubles our capacity with room to double it again in the facilities in Southern California,” Crest National president Ronald Stein says. “That speaks volumes about this company’s commitment to optical media manufacturing and to the industry in general. It’s an indication that we’re extremely confident going forward that this business will remain strong for the foreseeable future and [that] we’re going to be playing a larger part in it than we have before.”

Along with DVD Video’s well-documented success in the theatrical and music video categories, the format is emerging as the primary choice for other applications.

“One enormous change in the replication industry this year that I had been predicting is the emergence of the DVD non-theatrical market,” says Morris Balen, president of Disc Makers in Pennsauken, N.J. “That is morphing over from VHS and at this point is a huge amount of work that is coming into the hands of the independent replication industry.”

“Companies like Bowflex are ordering a quarter-million, half-million DVDs. These marketing, industrial and promotion guys are ordering millions of DVDs a year, and they’re new to the industry.”

More surprising than the growth in DVD manufacturing, many replicators note, is the recent resurgence of the CD. They believe that has resulted from the confrontational stance the RIAA has adopted to combat music piracy.

“The last 12 months were excellent, better than we had anticipated,” says Sean Smith, senior VP of sales and marketing of Los Angeles-based JVC Disc America. “Fortunately, the CD business this past fall was phenomenal—one of the strongest selling seasons I can remember in a long time—and I believe that the RIAA mitigated some of the losses due to pirating over the Internet.”

Stein adds, “We’re starting to see some of the positive benefits of the RIAA’s efforts to combat illegal downloading. We certainly remain bullish and support those efforts to keep it a legitimate marketplace.”

Per Save, VP of sales and marketing for BNG-owned Sonopress, adds, “On the CD side, there was remarkably strong demand. We believe so much in the CD format that we are expanding capacity by about 24% for next year.”

The rejuvenated CD market also lengthened what had become a very short peak season, replicators also note. “We had a long fall this year, Smith says, ’which we hadn’t seen for the past two years.’

Save explains, “The normal trend is mid-September to Thanksgiving. [Last year] the demand started very early. We had all of our machines up in the third week of July and were feeling very strange about it: ‘This isn’t right, what’s happening?’ And we never came off until Thanksgiving. We started to ask around to other replicators and basically heard the same thing from everybody.”

COPY PROTECTION ADDED

Replicators also are adding copy protection to selected CD releases at the request of their clients, though only recently in the United States. “The music industry will find its answers,” says Dieter Daum, Sony Music Entertainment senior VP of operations. “One of these answers may be that it is continuing its testing to explore copy-protected CDs. We are regularly testing both mechanical methods and consumer reaction to it—mostly in Europe.”

The business environment for replicators also changed undeniably with the introduction in April 2003 of Apple’s iTunes Music Store. Initially offered only to Apple Computer users, iTunes became available for PC users the following October. As of January, 30 million songs had been legally downloaded from the service.

And broadband access, crucial for downloading music, is growing at an annual rate of 35%, according to Craig Forbes of networking technology company Net.com, speaking at the RMA Management Summit.

IRMA’s Van Horn noted at the December conference that content is becoming more transient, traveling through mobile phones, wi-fi hotspots, broadband and hard disk drives. It all begs the question: Is the demise (Continued on page 66)
As the media industry moves away from analog, someone must control digital content as it flows between clients, producers, broadcasters and manufacturers. Managing this digital workflow gives you control over profits, security and time to market.

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IRMA Program Helps Curb Illegal Discs

BY STEVE TRAIMATE

As the music, film and games industries focus on the impact of illegal peer-to-peer file sharing, the ongoing threat posed by physical piracy continues.

According to the International Federation of the Phonographic Industry, music piracy worldwide totaled nearly $1.8 billion in 2002, the most recent full year for which figures are available. That includes 1.1 billion pirated CDs, an increase of 14% over the previous year. The IFPI puts the value of the global pirated music market in 2002 at $6.4 billion.

The increasing rate of piracy in optical-disc replication plants around the world led the International Recording Media Association (IRMA) to launch its Anti-Piracy Compliance Program (APCP) in 1999.

To date, 64 plants worldwide have completed the stringent APCP certification process, which includes an annual audit of replication activity. That is an increase of 36% in the past year, according to APCP worldwide director Tim Gorman. Another 23 plants have been involved in the certification process, for a total of 87 seeking anti-piracy certification.

The program has gained increasing respect from the major industry associations and optical-media replicators that formed IRMA's Anti-Piracy Coalition. The coalition helped develop the program's standards and works closely to support expanding global efforts, IRMA president Charles Van Horn says. The Anti-Piracy Coalition includes the IFPI, the Recording Industry Assn. of America (RIAA), the Motion Picture Assn. (MPAA), the Entertainment Software Assn., the Business Software Alliance (BSA) and the Software Information Industry Assn. (SIIA).

"The plants in our program or [those] working through the process represent more than 80% of legitimate CD/DVD replication worldwide," Van Horn emphasizes. "Working closely with our partners, particularly the IFPI and MPAA, we are just now cautiously expanding into other areas of the world to be sure we are certifying only legitimate plants."

In recent years, the education and enforcement activities of the IFPI, and the increasing number of plants involved in IRMA's compliance program, have cut music piracy at replication plants, particularly in Europe, according to Geoff Taylor, IFPI director of litigation and regulatory affairs/deputy general counsel.

"The IRMA program has been hugely valuable. Our enforcement efforts focus on their responsibilities [for] ensuring that intellectual-property rights are respected," Taylor adds. "The procedures put in place encourage and enable plants to achieve high levels of anti-piracy compliance."

SIGNIFICANT PIRACY REDUCTION

During audits of plants in Western Europe, the IFPI identified 162 manufacturing orders for CDs submitted without the validation papers required by IRMA standards. Those orders, Taylor says, "were rejected by our certified audit partners. Usually, these plants, with the exception of one, have stopped producing pirated discs that were not produced."

IRMA anti-piracy program plays an important role in decreasing piracy at CD plants across the United States, says Michael Williams, RIAA executive VP of finance and operations. "The legal risks and financial penalties facing plant owners are significant, regardless of whether or not they know of or have been involved in infringement that might be occurring, and we encourage them to become more involved in IRMA's program."

Some 2.5 million counterfeit or pirate CD-Rs—unauthorized recordings from a burner—were confiscated last year in the United States during the first six months of 2003. This was an increase of more than 18% from the same period a year earlier and represents almost half the 5.3 million total seized in 2002, which was an 89% increase from 2001.

The growth in seizures of counterfeit product is a reflection of both a worsening problem and our stepped-up enforcement efforts to deal with it," says RIAA president Cary Sherman, who, along with newly named executive VP of anti-piracy Brad Buckles, pledges continuing cooperation with IRMA's compliance program.

At the MPA, Ken Jacobsen, VP director of anti-piracy, emphasizes, "The IRMA program lets us concentrate on investigating illegal DVD replication [at] those plants that are unlikely to be certified."

Several plants raided during the past year were underground ones, primarily in Malaysia, Thailand, mainland China, Russia and Pakistan. "In 2003, the MPA was involved in the seizure of more than 17 million illegal replicated CDs, almost all from one of those five countries," Jacobsen notes. "If exported to the United States, Europe and elsewhere, they would represent about $340 million in lost sales."

"The MPA supports the IRMA program because it's beneficial for plants that are responsible," Jacobsen adds. "We're really pleased they are rolling out the [APCP] into Asia—with the first efforts in China—and also in Eastern Europe, primarily Russia. We are working closely with them on these locations."

IRMA is expanding the APCP program with its first plant certifications in China and Russia. And a series of meetings are scheduled for the spring in China, Hong Kong and London with replication plants, content owners, government officials and, for the first time, the CD manufacturing brokers.

China is one of most important developing markets for music and home video exports.

TRAINING IN CHINA

"We've done our first training in a mainland China plant at TianBao in Tian, which is one hour outside of Beijing," IRMA's Van Horn reports. He notes that the association is also working closely with Pan Longfa, vice director of the Optical Memory National Engineering Center at Tsinghua University in Beijing.

"We appreciate the help he has provided in getting this program recognized by proper officials to show to the world they are serious about the anti-piracy program," Van Horn adds.

This past summer, Longfa advised IRMA on technical aspects of replication plants in China and assured the association of the government's cooperation in the expansion of its certification program to other plants, according to IRMA's Gorman.

This past February, an APCP meeting in Hong Kong included about 20 representatives of the replication industry, the MPA, the RIMAs and BSA with proposals for more plant certifications.

"These meetings held around the world offer a venue for critical exchange of information and ideas and address concerns of both content owners and replicators," Gorman notes.

IRMA also is working with its first plant in Russia—Replimaster in Moscow—plus several others in Eastern Europe and another in Poland, according to IRMA's Gorman.

"We're starting with one [in Russia] to get a foothold; it is a learning experience for us and them," Gorman says. "We're also opening discussions with a number of optical-disc manufacturer's plants in China.

CD Technologies, a South African plant, is the first on that continent in the certification process. According to Gorman, "a major customer told them, 'Unless you join the IRMA program, you will not get more work from us.'"

This year's expansion of IRMA's certification program into South America has a lot of support from the IFPI, as Brazil, Mexico and Paraguay are among the top 15 pirated areas in the world.

The expansion of the certification program to optical-disc manufacturing brokers is another major development set for discussion in London in May.

"It's a direct result of several brokers wishing to use our materials and forms," Van Horn says. "As key middleman contacts between customers and plants, they're on the front line of alerting customers that they have proper licenses for product to be replicated. Adding their responsibilities for vetting a prospective client for the plant is a big plus for our program."

Gorman reports that replicators who are members of IRMA have asked to have brokers included. "Brokers participating in the program now will function as a working group. They include Deluxe, Sony and Cinram. Working with key brokers, they will put together a standard for this new program."

IRMA also has developed a new alert system that flags suspect orders reported by any certified plant. This is immediately relayed to other participating plants and task-force association members.

This spring, IRMA will launch an online database service, Anti-Piracy Resource Internet Links (APRIL). As another tool for content owners and replicators, APRIL will list which content requires which licenses.

"What APCP does for the industry [is] identify those plants that are willing to take responsibility and protect consumers' intellectual property," Van Horn says. "Customers as content holders are beginning to look for certified plants, because they know their products will be in a more secure environment. Customers are also questioning plants on why they're not willing to be certified, and our task force partners can concentrate their efforts on these operations."

"All these things are doable, but they're very complex," Rubenstein concludes. "They have to protect their pie to a store, buying a disc and owning that property is a very compelling scenario. People like to shop, they like to see that DVD disc on their shelf."

Disc Makers' Ballaine adds, "The only authentic copy of anything is a replicated disc. Authenticity is important in a product."

With that in mind, replicators are seeing a confidence in the future of their industry.

"We had a stellar year last year," Sonopress' Save says. "We're very positive and confident, and we're innovating like crazy in more equipment and machinery."
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PEOPLE ON THE MOVE

RECORD COMPANIES: J Records in New York promotes Larry Jackson to VP of A&R. He was director of A&R.

RADIO: Sirius Satellite Radio in New York names Elise Brown senior manager of public relations. She was senior manager of feature content at Sirius.

Radio Disney in Burbank, Calif., names Michael Peterson director of strategy and marketing. He was director of brand management at ABC Cable Networks Group.

Oldies WWMG in Charlotte, N.C., appoints Nick Allen PD. He adds those duties to his title of PD of AC station WLYT Charlotte.

Modern rock KCPX in Salt Lake City names Ellen Flaherty PD. She was PD of modern rock KATEG Albuquerque, N.M.

Country KBQI and adult R&B KSYY in Albuquerque appoint Steve Gutierrez assistant PD/music director. He was assistant PD/music director at country KILT Houston.

MUSIC VIDEO: VH1 in New York promotes Mark McIntire to senior VP of sponsorship, development and integrated marketing. He was VP of marketing.

NEW MEDIA: Insound in New York names Steve Kleinberg CEO. He was senior VP of marketing at WEA.

Apple Computer Inc., in Cupertino, Calif., promotes Chris Bell to director of iTunes product marketing. He was iTunes product line manager.

PRO AUDIO: Shure Inc. in Niles, Ill., upps Christine Schryvnick to executive VP of operations. She was VP of operations.

Digidesign in Los Angeles appoints Rich Nevens to director of worldwide console sales. He was executive VP of sales for the Americas at Euphonix.

CONCERT PROMOTION: Jazz at Lincoln Center in New York appoints Nancy Wolff VP of marketing. She was a principal at independent consulting firm Wolff Den.

Oregon Arena Corp. in Portland, Ore., promotes Chris Oxley to executive director of event sales and management and Howard Zuckerman to director of event sales and management. Oxley was executive director of event management, and Zuckerman was event manager.

Oscar Party

Music celebrities were on the scene at many of the post-Academy Awards show parties Feb. 29 in the Los Angeles area. Two of the most high-profile bashers were the annual Vanity Fair celebration at Morton's and the Elton John/In Style AIDS Foundation party at Pearl.

Guests at the Vanity Fair party included Alison Krauss, Steven Tyler of Aerosmith, Jack White of the White Stripes, Gwen Stefani, Gavin Rossdale, Russell Simmons, Anthony Kiedis of Red Hot Chili Peppers and John Mellencamp.


Some celebrities went party-hopping to both events, such as André 3000 of OutKast, Faith Hill, Tim McGraw, LL Cool J and Beck.

CARLA HAY

Hanging out at the Elton John/In Style party are celebrity married couples, from left, Tim McGraw and Faith Hill and Ozzy Osbourne and Sharon Osbourne. (Photo: Kevin Mazur/WireImage.com)

Three crossover stars strike a pose at the Vanity Fair party. Pictured, from left, are rapper/actor Will Smith, actress/singer Jennifer Love Hewitt and pop/Latin singer Ricky Martin. (Photo: Theo Wargo/WireImage.com)

 Husband and wife Gavin Rossdale, left, and Gwen Stefani bring rock ’n’ roll glamour to the Vanity Fair party. (Photo: Theo Wargo/WireImage.com)

Party host Elton John, left, mingles with André 3000 of OutKast at the Elton John/In Style event. (Photo: Kevin Mazur/WireImage.com)

Now, Hear This ... THE RASMUS

Artists to Watch

The Rasmus is already quite famous in its native Finland and throughout much of Europe, but the rock band is aiming to break through in the United States with its latest album, "Dead Letters." The album—released last year in Europe on Playground Music—is set for a U.S. release March 23 on Interscope Records. According to Interscope, "Dead Letters" has already sold more than 500,000 copies in Europe. Formed in 1994 in the Finnish capital of Helsinki, the Rasmus has already released several hit albums in Europe and has won multiple Emma Awards, the Finnish equivalent of the Grammy Awards. Fronted by lead singer Lauri Ylönen, the Rasmus also consists of guitarist Pauli Rantasalmi, bassist Eero Heinonen and drummer Aki Hakala. "In the Shadows"—the first U.S. single from "Dead Letters"—has already been a huge hit in Scandinavia, and the single has been serviced to modern rock radio. Other songs, such as "In My Life" and "Time to Burn," exemplify the Rasmus’ penchant for hook-laden, guitar-driven anthems. The U.S. version of "Dead Letters" includes a bonus Rasmus song: "F-F-Falling," which was a No. 1 smash on the Finnish singles chart in 2001. The band embarks on a new European tour in April, and the Rasmus is expected to do showcases in the United States sometime in May.

CARLA HAY

www.americanradiohistory.com
New Set Sees Return Of Survivor Lightfoot

BY LARRY LeBLANC

TORONTO—Back from the brink of death after suffering an abdominal hemorrhage 18 months ago, Canadian contemporary-folk artist Gordon Lightfoot is gearing up to release a new album.

His 20th original solo album in a four-decade career, "Harmony," is being released May 11 in North America by Toronto-based independent Linus Entertainment.

The label is distributed in Canada by Warner Music Canada. In the United States, it is handled by New York-based SpinArt Records and distributed through RykoDisc Records.

This is the 65-year-old singer-songwriter’s first original album since leaving Warner Bros. in 1998. Lightfoot signed with Warner’s Reprise label in 1970 and went on to cut 14 albums for Warner-affiliated U.S. labels. He earlier recorded five albums in the States for United Artists.

Lightfoot says he is “very happy” about the album being released by the boutique-styled Canadian label, also home to the Canadian Brass and Quartetto Gelato. “They really wanted to work with me,” he says.

Linus Entertainment president/CEO Geoff Kulawick adds, “I feel privileged having Gordon. He’s an unbelievable songwriter, a consummate artist and a Canadian icon.”

UNUSUAL WORKING CONDITIONS

As Lightfoot was preparing for an afternoon sound check for a concert at the Opera House in September 2002 in his native Orillia, Ontario, he had an abdominal hemorrhage in his dressing room. He was taken to McMaster Hospital in Hamilton, Ontario, where he spent the next six weeks in a coma, followed by three months in a hospital bed.

Undaunted, Lightfoot began working on completing “Harmony” two weeks after he awoke from his coma. While bedridden in the hospital, with the help of a headset and a CD player and co-producer Rick Haynes, Lightfoot oversaw instrumental overdubs by his band and mixing of nine tracks he had made as vocal-and-guitar rehearsal recordings of songs he had written in late 2000.

Lightfoot left the hospital in mid-December 2003 and soon afterwards completed production on the album. “I was very happy I was able to do it,” he says. “I feel like I really accomplished something.” He adds, chuckling, “If you hear a chord or two out of place, you will understand.”

“Harmony” possesses its share of gems. The title track, as well as “River of Light,” are among the most personalized lyrics penned by Lightfoot; the pop-styled “Inspiration Lady” is catchy. Also captivating are two tracks— “The No Hotel” and “Shellfish”—taken from Lightfoot’s Massey Hall shows in Toronto in 2001.

Lightfoot says, “Harmony” is his favorite track. I also like “River of Light.” It’s a positive song about getting away from it all.

(Continued on page 72)
### Japan

**Singles**
- **#1** HITOMI NO 2/2
- **#2** YASASHIKOSS O SHITE
- **#3** TRANSPORT GLAMOUR GIRL
- **#4** JUPITER
- **#5** MICHISHIRUBE
- **#6** GLOOM DAYS
- **#7** MASHISHI
- **#8** HANAMIZU
- **#9** ANEENA
- **#10** SPOON/MISSING YOU

**Albums**
- QUEEN
- YOSHIJUJI
- AYA
- VARIOUS ARTISTS

### United Kingdom

**Singles**
- **#1** TOXIC
- **#2** SI DEMAIN (TURN AROUND)
- **#3** CHA CHA SLIDE
- **#4** MYSTERIOUS GIRL
- **#5** AMAZING
- **#6** RED BLOODED WOMAN
- **#7** THANK YOU
- **#8** YOU
- **#9** TU SERAS
- **#10** FANNICK NO}

**Albums**
- QUEEN
- YOSHIJUJI
- AYA
- VARIOUS ARTISTS

### France

**Singles**
- **#1** JUST ONE LAST DANCE
- **#2** MAD WORLD
- **#3** COMME DES COMMISSARS
- **#4** SUPERSTAR
- **#5** IN THE SHADOWS
- **#6** ON NOURBLE JAMALIEN
- **#7** TAN TIE
- **#8** PARIS 1ERING BWS
- **#9** WIND BEHIND THE SUN

**Albums**
- QUEEN
- YOSHIJUJI
- AYA
- VARIOUS ARTISTS

### Germany

**Singles**
- **#1** AUGEN AUF
- **#2** MAD WORLD
- **#3** COMME DES COMMISSARS
- **#4** SUPERSTAR
- **#5** IN THE SHADOWS
- **#6** ON NOURBLE JAMALIEN
- **#7** TAN TIE
- **#8** PARIS 1ERING BWS
- **#9** WIND BEHIND THE SUN

**Albums**
- QUEEN
- YOSHIJUJI
- AYA
- VARIOUS ARTISTS

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**Notes:**
- Hits of the World is compiled at Billboard/London.
- NEW = New Entry
- RE = Re-Entry
King Young Things Make U.K. Waves

Holy tipped young three-piece Keane is the band on everyone’s must-see list in the United Kingdom right now. Tom Chaplin (vocals), Richard Hughes (drums) and Tim Rice-Oxley (piano) grew up together in Sussex and formed the band in 1997. The trio played its first live shows in 2002. It landed a deal with indie label Fierce Panda, and debut single “Everybody’s Changing” has since been hailed the imprint’s strongest-ever release. That in itself was a considerable accolade, given that Fierce Panda also gave a start to the likes of Ides of March, Supergrass and Coldplay, each of which moved on to major label success with Exit in the United Kingdom. Coldplay is one reference point for Keane’s deli- cate but anthemic rock. The band is now signed to Universal Island, and the single “Somewhere Only We Know” is making waves at U.K. radio. The act is currently on tour opening for Travis, with headline dates scheduled to coincide with an April reissue of “Everybody’s Changing.” Keane’s debut album is due in May.

STEVE ADAMS

BACK TO WORK: “I’d love to,” says one former rock group Kimble, is the first album on Panorama Records, the Milan-based indie founded by Eros Ramazzotti’s manager, Roberto Galanti. The album, which was licensed by management company Cose of Musica, was released March 5, along with the single “Lovato/I will,” and showcased at the Sanremo Festival in the same week. With industry body FIMI boycotting year after year, Pedrini’s decision to participate was risky. “But I had nothing to lose. I’ve been out of work for the last two years,” he says in a press report.

GARY SMITH

MATTER OF FACT: “A Whisper and a Sigh” is the debut album from Syl Matters, a French singer/songwriter (aka Jonathan Moralis) who is being likened to Badly Drawn Boy. With no marketing support, the album has sold well in France since its August release. Chanteen Records V2 International and is now being launched internationally—aided by the fact that Moralis sings entirely in English. “I’ve always listened to English and American music, so it’s more natural for me,” he explains. “It also means I can say things I’d be too polite to say in my mother tongue.” "A Whisper and a Sigh" is released April 5 throughout Western Europe; Japanese and U.S. release dates are to be confirmed.

JAMES MARTIN

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71
Spanish Indies Thrive
As Majors Cut Back, Smaller Labels Pick Up The Slack

BY HOWELL LLEWELLYN

MADRID—Spanish artists and music entrepreneurs are setting up their own labels at the rate of almost one each working day, as crisis-hit major labels cut back on loony roosters.

In total, 233 new labels were registered in Spain last year, according to statistics published by authors and publishers society SGAE. The increased activity comes at a time when the Spanish market is struggling to deal with the effects of piracy and illegal downloading.

Labels body AFVE estimates the current physical piracy rate at 25%, and its new shipment figures show the Spanish market had its second consecutive year of substantial decline in 2003 (see Newsline, this page).

“The number of new labels being registered with us in the midst of the crisis is startling,” says Angel de la Vega, manager of sound-carrier rights at SGAE’s mechanical reproduction department.

The label launch figure represents a 46% increase on the 160 recorded in 2001 and compares favorably with 187 launches in 2002.

ALTERNATIVE ROUTE FOR ARTISTS

The labels emerging in 2003 ranged from the Spanish affiliate of U.K.-based V2 to one-off imprints set up to release album projects by artists who found no other way to get their material issued. Highly rated Madrid folk group La Musgana, for example, founded its own Lubrican Records label to release an album ("Temas Profanos") in 2003 after a six-year recording hiatus.

“Before, the artists went to an established major or indie label to negotiate a deal, but that option is being closed,” de la Vega says. “It is also now very cheap to make your own record.”

One factor making it relatively easy to launch a label in Spain is that SGAE—which has some 60,000 members—takes care of the basic paperwork for free. “The attraction is not just that it costs nothing to register the new label legally but that an artist is saved all the bureaucratic hassle,” de la Vega explains.

González launched Varsovia Records, a 15-track compilation released in 2003, included renditions of Lightfoot’s songs by such leading Canadian acts as Bruce Cockburn, Ron Sexsmith, Cowboy Junkies and the Tragically Hip.

The project is a joint venture of Ottawa-based NorthernBlues Music and Toronto’s folk-based Bonepile Recording Co.

Lightfoot was one of the five first inductees into the Canadian Songwriters Hall of Fame at a gala Dec. 3, 2003, in Toronto. He received his award from fellow Canadian singer/songwriter Tom Cochrane.

“He’s every bit a deeply branded part of our collective sense of Canadian identity and culture as Robbie Burns is to the Scots and James Joyce is to the Irish,” Cochrane says.

Asked to assess his career, Lightfoot says, “I took it to the best level I could take it to. My place is being on a totem pole. Top to bottom, I’d be hanging out in the mid-range somewhere. I can do things the way I want to do them. I don’t have to sell millions of records.”

Lightfoot is determined that “Harmony” will not be his last album and that he will perform again, perhaps as early as this fall.

Despite Canadian media reports to the contrary, Lightfoot says his voice was not damaged by a tube inserted into his windpipe during surgery.

“I have a rehearsal schedule planned and I have a bunch of tunes for another album,” he says. “It all depends on how my health pans out over the next few months. I may pick up a tour in the fall for 10 days and see how I do. I lose the voice is fine. I’ll know by May or June if I’m going to keep on doing this or not.”

Lightfoot
Continued from page 69

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talent, but its broadcast failed to catch the imagination of the nation's viewers. Showtime in 2000, Dutch public network TV 2, the live telecast attracted 3.3 million viewers, down from last year's 4 million. It captured an 18.5% audience share, a fall from 2003's 27%.

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It was bound to happen. Music talent-contest fever has been sweeping across TV networks, and UPN finally has a series of its own. UPN has teamed with Missy Elliott for a reality show, and the finale will become potential hip-hop stars. Grammy Award-winning Elliott is co-executive producer of the series.

Auditions for the show conclude March 19. The show's producers say they are looking for an all-around entertainer who can sing, dance, and rap. More audition information can be found at upn.com.

In related news, Paramount Domestic Television is launching a new syndicated hip-hop dance contest titled "Dance for $1 Million." The show, which debuts this fall, has already been sold to Viacom Television Station Group's TV stations that are owned and operated by UPN. (Viacom is the parent company of Paramount and UPN.) The hosts of the new show are Ke. Mitchell (of Nickelodeon's "Keenan and Kel" fame) and Once member Fredo Starr.

NEW MUSIC VIDEO NETWORK: It seems as if every year there are entrepreneurs who announce that they are starting a new national music video network. The few that do end up on the air have an uphill battle competing against the Viacom channels (such as MTV, VH1, MTV2, CMT and BET) that dominate the marketplace. The Real Hip-Hop Network is aiming to beat those odds. Owned by Washington, D.C.-based parent company SSN Media and Entertainment.

Group, the network plans to roll out to 10 million to 15 million U.S. households this year, with cable/satellite distributor Olympusat as its initial affiliate. SSN president/CEO Anton Muhammad tells Billboard that the Real Hip-Hop Network will have about 80 music videos and have a target audience of 18- to 31-year-olds. Muhammad states, "We're going to play all types of hip-hop, even on independent labels and unsigned artists. We'll let the audience decide which videos we'll play the most."

Muhammad says SSN chairman Bryan Tucker will be the network's programming director and Dave Kent will be the music director.

Anyone interested in serving on the Real Hip-Hop Network can send videos and other materials to the network's mailing address at 1101 Pennsylvania Ave. NW, 6th Floor, Washington, D.C. 20004.

JANET'S EXIT: Janet Jackson has bowed out of the Lenora Home ABC TV movie, which was to feature Jackson starring as Horne. Jackson's departure came after pressure from Horne, who reportedly wanted Jackson for the project after Jackson's breast-baring publicity stunt at the Feb. 8 Super Bowl. Craig Zadan and Neil Meron, the executive producers of the movie, quit the project in a show of support for Jackson. It is now known if the movie will ever be made, and ABC had no comment.

UPN Snags Elliott; Hip Hop Network Launches
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New ‘Skin’ Lifts Jessica

Special editions have become a frequent tactic to invigorate an album title’s sales, but none have had quite the impact of the enhanced rendering of Jessica Simpson’s “In This Skin.” Quite simply, the new edition, which adds three audio tracks and a DVD Video to the original content of “Skin,” yields the best Nielsen SoundScan week and the highest Billboard 200 rank of Simpson’s five-year career.

Sales on the title more than triple over the prior week’s sum for a personal best frame of 159,500 copies. The 205% uplift also pushes the album 16-2, marking the first time Simpson has been in the chart’s top 10 since the original “In This Skin” bowed at No. 10 with an opener of 64,000 copies in the Billboard dated Sept. 6, 2003.

During the week that the new “Skin” edition came to market, the star of MTV’s “Newlyweds: Nick and Jessica” made not one but two visits to “Live With Regis and Kelly,” part of a well-oiled media campaign that drew attention to the enhanced offering.

The Wal-Mart and Target chains each had their own value-added versions of the special edition, which explains why mass merchants account for a larger share this week, 67%, than they have to date. Since the album’s Aug. 19 release, the department store strata has pulled 58% of the 1.1 million copies sold.

The best prior sales week for “In This Skin” was four weeks ago. In the same week that the Grammy Awards, Valentine’s Day, Norah Jones and Kanye West helped the industry move an eye-popping 17 million units of album sales, Simpson had the additional driver of an appearance with her husband and MTV co-star Nick Lachey on “The Oprah Winfrey Show,” which yielded 75,000 copies for that particular frame.

Simpson’s previous best chart rank and SoundScan week belonged to first-week sales for sophomore album “Irresistible,” which started at No. 6 on 120,000 copies.

WOMEN’S DAY: With some merit, the music industry is sometimes characterized as a boy’s club, an impression that lends significance to the top of this issue’s Billboard 200.

With Norah Jones holding a comfortable lead over the rest of the list (204,000 copies, down 27%), Simpson reaping the rewards of her album’s special version and Amy Lee-fronted Evanescence hanging in at No. 3, female singers own the big chart’s top three slots.

This is the first time that women have monopolized the

(Continued on page 80)

Norah Stays At ‘Home’

With "Feels Like Home" (Blue Note) racking up a fourth week atop The Billboard 200, Norah Jones has the longest-running No. 1 album by a solo female vocalist since the end of 2002, when Shania Twain ruled the chart for five weeks in a row with "Up!"

Amazingly, aside from Jones and Twain, no solo female artist has had a longer consecutive run at No. 1 since the summer of 1993, when Janet Jackson’s "Janet." was on top for six weeks in a row.

In 1990, Alanis Morissette was No. 1 for 12 weeks with "Jagged Little Pill," but that was a nonconsecutive run. "Pill" did not remain on top for more than three consecutive weeks at a time.

THEYAHAVE IT: For the fourth week in a row, the No. 1 song on the Billboard Hot 100 is "Yeah!" (Arista) by Usher Featuring Lil Jon & Ludacris.

It was 40 years ago this week that the ultimate “yeah” song rose to pole position. On the chart dated March 21, 1964, the new No. 1 song was "She Loves You," with the Beatles singing the never-to-be-forgotten hook, “Yeah, yeah, yeah."
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Over The Counter

Continued from page 77

album list's top three since last summer. Lee was part of the mix then, too, as her band was No. 3 behind chart-topper Ashanti and Beyonce in the issue dated July 26. Moreover, Jones’ “Breathe Like Home,” Simpson’s “In This Skin” and Evanescence’s “Fallen” are three of only seven female voiced albums to reach the top 10 since 2004 began. In all, 23 different titles have reached the top 10 during the first 12 weeks of 2004.

MISTAKEN IDENTIFICATION: That Evanescence was in the top five last summer, as it is now, makes you wonder if its Wind-up debut should have been called “Levitate” rather than “Fallen.” In fact, last week, as the band’s album reached its 52nd chart week, “Fallen” became only the second debut full-length of the past 10 years to sit in the top 10 a year or more after it bowed inside the top 10—usually great endurance for a new act.

That puts Amy Lee and crew in the company of Bone Thugs-N-Harmony’s “E. 1999 Eternal,” which entered at No. 1 and was No. 9 in its 59th week, and Spice Girls’ “Spice,” which also bowed on top and bumped 11-12 in its 52nd frame to log its last week in the top 10.

Of those three titles, “Spice” sold its during its first year, but “Fallen” has logged the most weeks in the top 10. Through last issue, Evanescence chucked up 4.3 million copies in its first 52 weeks. But all 17 of its 53 chart weeks have been in the top 10, including the last 10 in a row.

Spice Girls rolled through 5.6 million units in the first year, but when their debut set moved to top 10 at that week’s 12nd aged, it spent 19 weeks on its chart in which it ranked below the top 10.

The Bone family had sold 3.3 million by week 52. It had fallen as low as No. 66 during that first year and spent 35 weeks below the top 10, but it would go on to log seven of the next nine weeks in the top 10.

“E. 1999 Eternal” was also not Bone Thugs’ first Billboard 200 entry, as its 1994 EP “Creepin On Ah Come Up” had risen as high as No. 12.

BLACK ALBUMS: Clint Black and Jack Black, we presume no relation, both make chart news. Country vet Clint, with his first set from the label he built, Equility, sets up shop at No. 3 on Top Country Albums and No. 27 on The Billboard 200 with 37,500 copies. With the 1996 compilation “The Greatest Hits,” those are Black’s best ranks on either chart, and his best Nielsen SoundScan week, since 1993.

An appearance on “The Oprah Winfrey Show” and A&E’s “Live Request” were among the market drivers that helped his album shine. The other Black, Jack, can thank the Academy Awards and Paramount Home Video. The video release of “School of Rock” helps that film’s album more than triple its sales, good for a No. 23 re-entry on Top Soundtracks, and we figure his cowling at Oscars’ Feb. 29 telecast with Will Ferrell accounts for the re-entry by his Tenacious D on Top Pop Catalog (No. 30, up 31%), the act’s first appearance on that chart since October.

More obvious beneficiaries of the Oscars special are the “Cold Mountain” album, which wins the Billboard 200’s Facetsetter (159-1, up 177%), and two of that soundtrack’s principals, Sting (117-10, up 12%) and Alison Krauss (a re-entry at No. 163, up 29%).

Also warming in the Oscars glow is the soundtrack to “The Triplets of Belleville,” which sees a 137.5% bump, good for a 2-1 jump on Top World Music Albums and a No. 18 bow on Top Soundtracks.

“Tribute to the King: The Return of the King” marriage 114-59 on The Billboard 200, up 78%.
### Billboard Top Pop Catalog (March 20, 2004)

**Artist** | **Imprint & Number/Distributing Label** | **Title**
--- | --- | ---
**NUMBER 1** | Nielsen SoundScan | **1**
1. **JOSH GROBAN** | **1994-79221-2** | **Symphony No. 9**
2. **THE BEATLES** | **1846-79221-2** | **Abbey Road**
3. **MERCURY** | **1994-79221-2** | **Room For Squares**
4. **JIMMY PAGE** | **1994-79221-2** | **In Through The Out Door**
5. **LINKIN PARK** | **1994-79221-2** | **Hybrid Theory**
6. **BOB MARLEY & THE WAILERS** | **1994-79221-2** | **Legend**
7. **BOB SEGER & THE SILVER BULLET BAND** | **1994-79221-2** | **Greatest Hits Vol. 2**
8. **PINK FLOYD** | **1994-79221-2** | **Dark Side Of The Moon**
9. **KID ROCK** | **1994-79221-2** | **Cocky**

**GREATEST GAINER**

**ARTIST** | **Imprint & Number/Distributing Label** | **Title**
--- | --- | ---
1. **Kenny Chesney** | **Greatest Hits**
2. **Martina McBride** | **Greatest Hits**
3. **Rod Stewart** | **The Very Best Of Rod Stewart**
4. **Metallica** | **Greatest Hits**
5. **AC/DC** | **Greatest Hits**
6. **Johnny Cash** | **16 Biggest Hits**
7. **Shania Twain** | **Come On Over**
8. **Kid Rock** | **Devil Without A Cause**
9. **Michael Jackson** | **Thriller**
10. **Larry The Cable Guy** | **Lord, I Apologize**

**Top Heatseekers**

**ARTIST** | **Imprint & Number/Distributing Label** | **Title**
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1. **JERRY CAMP** | **Carried Me: The Worship Project**
2. **WEATHER REPORT** | **Weather Report**
3. **LIL JOY & THE EAST SIDE BOYZ** | **Kings Of Crunk**
4. **PROBOT** | **Probot**
5. **LOS LONELY BOYS** | **Los Lonely Boys**
6. **Talfac Walkie** | **Dance Divas II**
7. **Louie Devito** | **A Muse, A Mission, A Band, A Star**
8. **Queens** | **Inner City**
9. **Kenny** | **A Very Best Of Prince**
10. **Queen** | **A Very Best Of Prince**

**Top Independent Albums**

**ARTIST** | **Imprint & Number/Distributing Label** | **Title**
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1. **Blacklist** | **I Tell You What**
2. **The Get Up Kids** | **BigDecimal**
3. **Joshua Tree Boys** | **Give Up**
4. **Simple Red** | **Honesty**
5. **Warren Zevon** | **The Wind**
6. **Ambient Solution** | **The Pianemaker 2**
7. **En Vogue** | **Soulflower**
8. **Miller** | **One Moment More**
9. **The Curb** | **Take This To Your Grave**
10. **Somebody** | **Death Cab For Cutie**

**Certification**

- A: 100,000 units
- B: 200,000 units
- C: 300,000 units
- D: 400,000 units
- E: 500,000 units
- F: 600,000 units
- G: 700,000 units
- H: 800,000 units
- I: 900,000 units
- J: 1,000,000 units

**Tape Prices**

- Ea: Equivalent price
- No Tape: Tape not for sale

**Acknowledgments**

The Billboard Hot 100, Top Albums charts and related charts are compiled by Nielsen SoundScan, a division of Nielsen Media Research. For a complete list of charts, visit Billboard.com. Copyright © 2004 Billboard Publications. All rights reserved.
### Top Jazz Albums

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<tr>
<td>Tony Bennett &amp; K.D. Lang</td>
<td>A Wonderful World</td>
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<tr>
<td>Cassandra Wilson</td>
<td>Glamoured</td>
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<tr>
<td>Peter Cincotti</td>
<td>One Night Stand</td>
<td>14</td>
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<tr>
<td>Various Artists</td>
<td>The Most Romantic Jazz In The Universe</td>
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### Top Classical Albums

<table>
<thead>
<tr>
<th>Artist</th>
<th>Title</th>
<th>Number Of Weeks</th>
<th>Previous Position</th>
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<tbody>
<tr>
<td>Joshua Bell</td>
<td>Romance Of The violin</td>
<td>10</td>
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<tr>
<td>Soundtrack</td>
<td>Master And Commander</td>
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<td>3</td>
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<tr>
<td>Cecilia Bartoli</td>
<td>The Salieri Album</td>
<td>6</td>
<td>5</td>
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<tr>
<td>Lang Lang</td>
<td>Live At Carnegie Hall</td>
<td>8</td>
<td>6</td>
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<tr>
<td>Anonymous 4</td>
<td>American Angels</td>
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<tr>
<td>Tim Janis</td>
<td>Beautiful America</td>
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<tr>
<td>André Rieu</td>
<td>Live In Dublin</td>
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<td>8</td>
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<tr>
<td>Various Artists</td>
<td>The Most Relaxing Classical Album...Ever! II</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>Andrea Bocelli</td>
<td>Sentiments</td>
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<td>Lorraine Hunt Lieberson</td>
<td>Britten: Cantatas BWV 82 And 191</td>
<td>3</td>
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<tr>
<td>Trio Mediaevil</td>
<td>Soir de Printemps</td>
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<td>Bach: Violin Concertos</td>
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### Top Contemporary Jazz

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<tr>
<td>Norah Jones</td>
<td>Come Away With Me</td>
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<td>Will Downing</td>
<td>Timeless</td>
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<tr>
<td>Kenny G</td>
<td>Ultimate Kenny G</td>
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<td>3</td>
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<tr>
<td>Chris Botti</td>
<td>A Thousand Kisses Deep</td>
<td>4</td>
<td>4</td>
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<tr>
<td>Down To The Bone</td>
<td>Cotton Fork</td>
<td>5</td>
<td>5</td>
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<tr>
<td>Dave Koz</td>
<td>O.P. Johnson</td>
<td>6</td>
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<tr>
<td>Paul Brown</td>
<td>Wildflower</td>
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<tr>
<td>Viktor Krauss</td>
<td>For Ever</td>
<td>8</td>
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<td>Walter Beasley</td>
<td>The Classics R&amp;B Collection</td>
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<tr>
<td>Larry Carlton</td>
<td>Blue Magic</td>
<td>10</td>
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<td>Various Artists</td>
<td>Verve/Remixed</td>
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<tr>
<td>Praful</td>
<td>One Day Deep</td>
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<td>Various Artists</td>
<td>The Love Project</td>
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<tr>
<td>The Braxton Brothers</td>
<td>Rollin’</td>
<td>14</td>
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<tr>
<td>Pieces Of A Dream</td>
<td>Sensual Embrace 2: More Soul Ballads</td>
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<tr>
<td>George Benson</td>
<td>The Greatest Hits Of All Time</td>
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<tr>
<td>Mindi Abair</td>
<td>It Just Happens That Way</td>
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<td>Najee</td>
<td>Embrace</td>
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<td>David Benoit</td>
<td>Right Here, Right Now</td>
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<td>No. 1 Smooth Jazz Hits!</td>
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<td>The Jazzmasters</td>
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<td>Brian Culbertson</td>
<td>Come On Up</td>
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<td>Various Artists</td>
<td>A Twist Of Motown</td>
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<tr>
<td>Liz Wright</td>
<td>Salt</td>
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### Top Contemporary Crossover

<table>
<thead>
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<th>Title</th>
<th>Weeks At Number</th>
<th>Previous Position</th>
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<tbody>
<tr>
<td>Josh Groban</td>
<td>Closer</td>
<td>17</td>
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<tr>
<td>Andrea Bocelli</td>
<td>The Opera Collection</td>
<td>11</td>
<td>9</td>
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<tr>
<td>Yo-Yo Ma</td>
<td>Obrigado Brazil: Live In Concert</td>
<td>8</td>
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<td>Yo-Yo Ma</td>
<td>Obrigado Brazil</td>
<td>6</td>
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<tr>
<td>Sarah Brightman</td>
<td>Angelic</td>
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<tr>
<td>Sissel</td>
<td>My Heart</td>
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<td>Josh Groban</td>
<td>Josh Groban In Concert</td>
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<tr>
<td>Charlotte Church</td>
<td>Preclude: The Best Of Charlotte Church</td>
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<tr>
<td>Dominick Miller</td>
<td>Shapes</td>
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<tr>
<td>Luciano Pavarotti</td>
<td>Ti Adore</td>
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<td>Various Artists</td>
<td>String Quartet Tribute To Evanescence</td>
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<td>Russell Watson</td>
<td>Kingdom</td>
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<td>Various Artists</td>
<td>Reprieve</td>
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### Top New Age Albums

<table>
<thead>
<tr>
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<th>Title</th>
<th>Weeks At Number</th>
<th>Previous Position</th>
</tr>
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<tbody>
<tr>
<td>Various Artists</td>
<td>Pure Moods: Celestial Collection</td>
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<tr>
<td>Yanni</td>
<td>Ultimate Yanni</td>
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<tr>
<td>Mannheim Steamroller</td>
<td>Romantic Melodies</td>
<td>3</td>
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<tr>
<td>Various Artists</td>
<td>Windham Hill Chill 2</td>
<td>4</td>
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<tr>
<td>Yanni</td>
<td>Ethnicity</td>
<td>5</td>
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<td>Steven Anderson</td>
<td>100 Church Classics</td>
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<td>Various Artists</td>
<td>Prayer: A Windham Hill Collection</td>
<td>7</td>
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<td>Various Artists</td>
<td>Classic Motown</td>
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<td>Deleuran</td>
<td>Chinese Cube</td>
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<td>Armik</td>
<td>Romantic Dreams</td>
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<td>Various Artists</td>
<td>Saffron &amp; Silk</td>
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<td>The Healing Garden Collection</td>
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<td>Various Artists</td>
<td>Pure Moods IV</td>
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<td>Jim Brickman</td>
<td>Odyssey: The Definitive Collection</td>
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<tr>
<td>Mannheim Steamroller/C.W. McCall</td>
<td>Love Songs &amp; Lullabies</td>
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</table>

### Top Classical Crossover

<table>
<thead>
<tr>
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<th>Title</th>
<th>Number Of Weeks</th>
<th>Previous Position</th>
</tr>
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<tbody>
<tr>
<td>Joshua Bell</td>
<td>Romance Of The violin</td>
<td>10</td>
<td>7</td>
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<tr>
<td>Soundtrack</td>
<td>Master And Commander</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>Cecilia Bartoli</td>
<td>The Salieri Album</td>
<td>6</td>
<td>5</td>
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<tr>
<td>Lang Lang</td>
<td>Live At Carnegie Hall</td>
<td>8</td>
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<tr>
<td>Anonymous 4</td>
<td>American Angels</td>
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<tr>
<td>Tim Janis</td>
<td>Beautiful America</td>
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<td>André Rieu</td>
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<tr>
<td>Various Artists</td>
<td>Bach: Violin Concertos</td>
<td>1</td>
<td>3</td>
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### Sales Data

Sales data for Classical, National, and Airplay charts compiled by Nielsen SoundScan.
McGraw Adds 19th Notch To His No. 1 Tally

"Solitaire," a non-album B-side that is a remake of Neil Sedaka's 1975 hit for the Carpenters, the single is shipping heavy units and is poised to debut at No. 1 on Hot 100 Singles Sales and possibly on the Hot 100 in two weeks.

Additional reporting by Patrick McGowan in Los Angeles.
Arista

Continued from page 1

under the RCA Music Group banner. The label’s artist roster will be divided among sister divisions Jive, RCA and J Records.

It’s widely thought that the LaFace-affiliated acts (OutKast, Usher, Pink, Cee-Lo) will be transferred to Jive. Sarah McLachlan, Dido and Avril Lavigne would shift to RCA, and Whitney Houston, Kenny G and rap newcomer J-Kwon would go to J Records.

Arists have already been notified about the impending restructure. No definitive time frame for the reorganization could be confirmed at press time.

However, sources generally agree that most changes will occur after the release of key albums by Usher (March 23) and J-Kwon (March 30). Also unclear is the fate of Arista’s house bands, which include Jermaine Dupri’s So So Def (Dupri is also a senior VP at Arista), Jimmy Jam and Terry Lewis’ Flyte Tyme and the Neptunes’ Star Trak.

With the announcement of the RCA Group label consolidation, the process of evaluating the artist roster will accelerate and the presidents at RCA will announce any decisions or changes at the appropriate time.

Talk about Arista’s future heated up after the announcement that Arista’s Associated Labels would revert to the RCA Victor Group moniker (billboard.com, March 8).

One year ago, BMG Entertainment split the RCA Victor Group into BMG Classics and Associated Labels. Daily operations of the stand-alone division are now supervised by Jeb Hart, who continues as senior VP of worldwide marketing for RCA Records.

RCA Classics has been moved under the Universal Music Group’s framework. Though an in-house label, RCA Classics will report to four from Universal Music’s executive VP/GM, and Ashley Nevin, executive VP of A&R for RCA.

Sources say Arista’s Associated VP of A&R Joe McEver and director of A&R Jonathan Miller have also departed.

BMG refused to confirm or deny the departures or other possible staff changes within the RCA Victor Group.

The reformed RCA Victor Group comprises the Private Music, Windham Hill, Bluebird and Victor labels.

Its collective roster includes R&B/rock singer Etta James, pianist Jim Brickman and George Winston and singer/songwriter Rachael Yamagata.

“Under this new structure, the RCA Victor Group will maintain its independent identity and will not alter the direction of the RCA Records’ A&R and management structure,” Charles Goldstuck, president/COO of BMG North America, said in a statement.

Although BMG’s association with Arista was a venerated Atlantic and Elektra labels into a single operating group.

Additional reporting by Ed Chistman in New York.

Senate Bill

Continued from page 1

cent language on radio and TV.

The new amendment to the Indecency Reforms Act, S. 2056, is authored by Sens. Ted Stevens, R-Alaska, and George Allen, R-Va. It would allow the FCC to go after “individual non-licensed” stations that could also include actors and sports figures, among others. The House version has the same provision.

“This is our No. 1 issue, no question,” says Jay Rosenthal, counsel for the Recording Artists’ Coalition. “Arista are going to be outraged.”

“This is horrible,” says Ann Chait-

ovitz, director of the sound recording division of the American Federation of Television and Radio Artists, which represents on-air personnel. “Performers are being thrown in front of the bus, when actually, this is a result of media consolidation. Licensees are responsible for what airs on CBC, and they’re both owned by Viacom/CBS. The provision was not included in the original bill, which authorizes similar fines against broadcast stations that air indecent material.

On the House side, a similar amendment allowing the FCC to go after performers was passed March 3 by the House Commerce Committee.

The full house passed it overwhelmingly on March 11 by a vote of 391 to 22. Once the Senate passes its version of the legislation, the two bills will have to reconcile.

Insiders say the bill has yet to be brought to the Senate floor for two reasons. One is a controversial amendment authored by Sens. Byron L. Dorgan, D-N.D., that would hold back media-ownership rule changes at the FCC for one year. The other is the sudden storm of outrage and opposition to the amendment on constitutional grounds.

The floor switch issues will probably result in discussions in conference committee, where lawmakers weigh the Senate and House versions for a final bill.

They know there are constitutional problems,” one veteran Hill source says. That source also says that Sony launches an online music service like Sony Connect, will Sony-BMG be treated as a "preferred partner"?

“The Impala spokespeople insists that it is wrong to imagine that the EC’s philosophy will have changed between 2001 and 2004.

“Nothing has fundamentally changed,” the spokesperson says. “Sony and BMG might have thought that because of the crisis affecting the music industry, the commission would look at the merger with more sympathy, but I suspect that their enthusiasm might have cooled down when they read EC’s reasoning to move into phase two. It is not that simple,” the spokesperson says.

Sony and BMG could attempt to address some of the EC’s concerns, but observers believe there’s little room for action.

“They could make concessions on such areas as calls to avert anticom- mercial practices,” the Impala spokesperson says, “but it might not answer all the issues raised by the commission. Besides, the commissioner is not too quick to accept a minute concessions. It is going to be difficult for them.”

Additional reporting by Bill Holland in Washington, D.C., and Brian Garry in New York.
Musical Know-It-Alls: The Critical List

Followers are the top pop music critics at the 20 largest-circulation U.S. daily newspapers. All critics are full-time staff writers who review music and write music feature articles for their publications. The critics with biographical details listed are those who responded to Billboard's request for their information.

Additional critic: Ben Ratkoff, Joel Saneth, Neil Strauss.

Los Angeles Times: Circ: 1,110,000
Robert Hilburn: Critic since 1970, joined Times, 1970, B.A. in journalism, California State Uni-
Versity in Los Angeles.
Additional critic: Geoff Boucher, Richard Caramzin, Augustin Gusta, Randy Lewis.

The Washington Post: Circ: 814,848
Additional critic: David Segal.


Chicago Tribune: Circ: 691,580

The Denver Post/Rocky Mountain News: Circ: 658,160
Mark Brown (Rocky Mountain News): Critic since 1982; joined News, 1988, B.A. in journalism, California Polytechnic State Uni-
versity in San Luis Obispo.

Houston Chronicle: Circ: 650,211
Michael D. Clark: Critic since 1994; joined Chronicle, 1999, B.A. in political science, San Jose State University.

Detroit Free Press/News: Circ: 607,183
Brian McCallum: No information supplied.

The Dallas Morning News: Circ: 603,156
Pamela McPherson: No information supplied.

Newspaper (Long Island, N.Y.): Circ: 557,569
Kerry Sollars: No information supplied.

Collectively, these top-tier critics reach more than 15.8 million people just based on the combined average paid circulation of the top 20 newspapers. Beyond that, millions more read their views through such wire services as Associated Press (AP) and Reuters, which syndicate the copy to newspapers around the world.

"Readers feel they know [daily] newspaper critics better, since they read them more regularly. It's a more personal kind of relationship," says Jay Lustig, pop music critic for The Star-
Ledger in Newark, N.J.

Miami Herald pop-music critic Howard Cohen adds: "Critics can have great impact when talking about a newcomer. Print-media outlets also have great reach these days, thanks to the Internet and wire services.

AP, the largest news wire service, counts about 1,700 U.S. newspapers among its clients, and AP music writer Nekesa Moody's stories could appear in one or all of them.

OPENING GATES

Murray Forman, professor of communica-
tion studies at Northeastern University in Boston, says critics can still act as the tastemakers, swinging open the gate to a lot of underground and marginal music.

"There are lots of independent labels putting out great music. Now, more than ever, it's our job to let people know about that," says music critic Richard Harrington of The Washington Post.

Indeed, music critics provided a sig-
nificant career boost to such break-
through acts as Eminem, Norah Jones, Moby, The Velvet Underground, and the White Stripes, according to an informed survey among critics and industry insiders.

Many of these acts first released records on independent labels. Still, Dallas Morning News pop-
music critic Thor Christensen notes that music tastes are difficult to sway.

"Critics ripping a Creed or Britney Spears CD doesn't mean it's a marketplace failure," he says, "while bad reviews can help them to see a huge effect on moviegoers."

EARLY TASTEMAKERS

Even with competitors from other media, the role of critics in shaping an artist's career will remain essential, for one simple reason. For most artists, critics' reviews—especially from prestigious media outlets—are the first major exposure they usually get.

What's more, those reviews can set the tone for how the artist is marketed and provide the grist that publicists need to tell stories to radio, retail and TV. That goes double for new acts.

Reviews were crucial to Universal Records acts Godsmack and 3 Doors Down, according to Serenaa Gallagher, Universal Motown Records Group senior VP of media relations.

Godsmack's 2003 "Faceless" album netted more than 100 newspaper re-
views—many more than the band's previous albums—and Gallagher says the publicity helped "Faceless" debut at No. 1 on The Billboard 200.

Gallagher says that 3 Doors Down is another example. "Most people know Godsmack. Their "Faceless" review is a lot of people in the industry don't understand, that they're not an extension of their promotion department. We're here to give our opinion of the music, not promote all the artists."

CRITICS' GRIPES

Billboard surveyed the pop-music critics at the top 20 U.S. daily newspapers. For the biggest complaint they have is the increasing restrictions placed on advance CDs. The critics are unhappy with the growing trend of record companies either not releasing advance CDs for certain artists or releasing select advance CDs too late for their deadlines.

"The record industry's fear of [illegally] uploading music files has made it nearly impossible for critics to get advance music on significant albums," Chicago Tribune pop-music critic Greg Kot says.

"This means we get to spend less time with the music before writing a review, and the artists get short-changed."

As for the music industry, critics would like to see better music and more patience with artist development.

"First, release good music," says New York Times pop-music critic Jon Pareles. "Second, work with technol-
ogy. It's not going away."

Instead of clinging to a business model based on physical sales and trying to litigate and legislature to restore a distribution monopoly that has vanished forever, "save the consumers,"

Houston Chronicle pop-music critic Michael D. Clark notes that the success of Apple Computer's iTunes store and iPod player indicates that vast numbers of people are willing to get their music online legally.

USA Today's Jones believes the industry made another big mistake by phasing out retail sales of singles. "This is the industry starting to look at the Internet to find the songs they wanted."

Long term, some critics foresee a day when the current music business model will die.

"It has to be replaced by something that's more customer- and music-oriented," Chicago Sun-Times critic Jim DeBogatis says.

Music critic Larry Rodgers at The Arizona Republic thinks that corporate consolidation at radio is a major prob-
lem for the industry's problems. "A low cap is needed on how many radio sta-
tions a business can own nationwide."

Other critics knock high CD prices and skyrocketing concert ticket prices, while USA Today's Gardner says it really boils down to fear of declining sales, which is impeding artist development.

"It's a copypast industry now," says Robert Hilburn of the Los Angeles Times. "The emphasis is on immediate sales instead of artist development. But everything goes in cycles."

Critics

Continued from page 1

So who makes up this elite circle of music industry opinion makers? And are they really as influential as they seem? As they might say, it's all a matter of opinion.

LARGE AURENCE

By dint of USA Today's 2.4 million circulation and national distribution, its pop-music critics Elysa Gardner, Edna Gundersen and Steve Jones can certainly lay claim to the largest reach.

What makes a music critic credible is not necessarily the size of the crit-
ic's media outlet but "knowledge of music history, while still being hip to what's current," says Steve Waksman, assistant professor of music and American studies at Smith College in Northampton, Mass.

Most industry insiders polled by Billboard think that daily newspaper critics are still relevant to the music-buying public.

But others, including the critics themselves, say that their influence is waning because of the growing num-
ber of other outlets covering music.

"Music critics at magazines are perceived more as the inside trackers," notes Dr. Nancy Snow, professor of communications at California State University in Fullerton.

People are being sold more on the viral marketing approach—for exam-
ple, a friend telling a friend, she says. "This is especially true for tweens and teenagers, who rely more on their inner circles and new technology to find out about new music."

Still, it's hard to argue with the numbers.

www.billboard.com  •  www.billboard.biz  •  www.americanradiohistory.com

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Latin Labels

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New York, combined label and management services for its act Proyecto Uno some 12 years ago.

In the meantime, such arrangements were not unusual. Even in recent years, the RMM label, which is now owned by Universal Music Group, managed and booked such label signees as Celia Cruz and Tito Puente.

However, for most labels, record sales were so strong in the '90s that it was not necessary to get involved in management and booking.

"Now, business is bad, and we're back to our roots," Hidalgo says.

THE MAJORS' STRATEGY

Even the multinationals are seeking new revenue sources, although not in the same way as the indies.

"We're expanding our reach in our new contracts," says Jesus Lopez, chairman of Universal Music Latin America/Therias Peninsula. "We're keeping more rights, and we will develop more partnerships and licenses with people who have knowledge in specific areas."

Lopez did not provide details of exactly what these partnerships entail, but it is clear that the label is looking for profits in areas other than record sales. BMG's Maarten Steinkamp hinted at similar arrangements last year.

"I am investing in an artist from zero," Lopez says. "It's logical that I keep part of the return. But that doesn't mean I'm going to launch a management company. That's not my core business.

One major-label executive adds, "Really, what does a record executive know about managing or vice versa?"

Still, attorney Leslie Zigler of Benjamin Gastroff attorneys, who is seeing an increase in multi-up deals "certainly on the independent label front, and the majors are starting to do it as well."

"Whether this is positive or negative goes to the bottom line of what makes sense for an artist," Pina says. "Zigler says, "Do the labels bring value and strategic guidance to prospective touring, merchandising and endorsements? If the answer is yes, there's a justifiable reason for it."

Of course, not all the acts managed by labels are also signed to those labels.

For example, at Mock & Roll, partners Francisco Villanueva and Rogelio Macín manage several acts, though not all, as artists not signed to the label, including Pablo Montero, Melina Loín and Rogelio Martínez. Villanueva, former managing director of Sony's U.S. Label Group for the last two years. At the time, his first artist, rapper El General, also needed management, so Villanueva incorporated that service into the Miami-based company.

Having a management operation, Villanueva says, "helps all my artists because it creates important synergies. We're talking about three different functions—the label, publishing and management—that sometimes coincide."

One area Mock & Roll still has not fully developed is concert promotion.

"But that will come soon," Villanueva says. "You need to break new acts, and that is something we've been doing. That is the only thing I'm willing to take a risk, and you know that it's not a risk but an opportunity, you do it."

SEPARATE DEALS

Like other labels that have multiple units under one roof, Mock & Roll and JHM operate these units independently from each other, and management and record deals are handled separately.

That is also the case with Ole, which includes the label Ole Records, music and video facilities (EQ's, a concert promotion arm (Encore Events), a publishing company (Ventura Music) and a production company (Music Futura Internacional).

"It keeps additional revenue streams coming in," says Ole founder Oscar Llord, former chairman of Sony Discos. Edel, in addition, he adds, the intercompany synergy can be advantageous for the artist.

"Many labels will work only one track because they're not committed to the artist," he says. "My acts, I'll take to the end of the world.

"I think, to my knowledge, Raul Araléc Sr. told Billboard last year, 'I'm committed with all my artists to work their albums because we not only have albums, we have management and marketing. And those contracts were signed before the label came to play.'" Integrated services also have been a big factor in the success of R&B in Argentina. The entertainment group, created more than two years ago, was formed mainly to produce TV shows and soap operas and operate FM Radio Disney.

One of RGB's TV projects was the production of the local version of "Popstars." The show was so phenomenally successful that it led to the creation of a music division, including a label (named "Popstar", created to promote bands and merchandising.

RGB's first release, the self-titled debut of "Popstars"-created group Bandana, became the best-selling album in Argentina in 2002.

But record sales are not the music company's biggest source of revenue.

"I would say our primary business is concerts. Second comes merchandising and third comes TV and fourth is publishing," says Hugo Plombi, director of the music division at RGB.

In 2002, for example, Bandana played 74 sold-out shows at Gran Rex Theater in Buenos Aires, a record for the venue. RGB also reports impressive sales of T-shirts, posters and even makeup. Last year, 11 million trading card packs were sold, the company says.

Edel

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were closed down or downsized, and the company's head count was cut from 1,770 to 689 employees.

THE INDIE STRATEGY

In parallel, Haentjes and Baur introduced a new business strategy. "We realized that we would not be able to concentrate on A&R and marketing business, but on an own earns," Haentjes explains. "What we went after was to extend serv-

ices to independent labels."

Today, this business generates almost 50% of the company's revenue and has become a very profitable second mainstay for Edel.

The range of services includes CD production and warehousing, marketing and promotion, accounting services and international exploitation.

The new-media services offered by Edel now also enables an encompass digital distribution through the Internet and mobile communications networks. In addition to managing Edel's own digital catalog, it also acquires rights to independent companies in Europe, with wholly owned subsidiaries in the United Kingdom, Portugal, Finland, Switzerland, Austria and Italy. In addition, it holds a 51% stake in Playground Music, the largest independent label in Scandinavia, and has entered into licensing agreements with Warner in Spain, France, Poland and the Czech Republic and with V2 in Belgium and the Netherlands. It has various licensing partners in Asia, Australia and Russia.

Edel claims a 4% market share in Germany, 11% in Finland, 4% in Italy and 4% in Scandinavia.

MITIGATING RISK

The new model stems from the ambition to play a leading role on the German and international scene but avoid the financial risks. "We are smaller, and each territory focuses on what they do best," Haentjes says.

Edel now works with such established acts as Aaliyah, Chris Rea, Kool & the Gang, Tony Braxton and dance act Scooter through its subsidiary Foror Records and also has strategic partner-

ships to develop new acts or mar-

keting-driven projects.

This latter strategy was successfully implemented with Finnish act Ras-

mus, which signed to Edel subsidiary Playground Music Scandinavia in 2000.

The group's album "Dead Letters" has been certified platinum in the Scandinavian territories except Scandinavia and Italy, where the album will continue to be handled by Edel's affiliates there. So far, the group has shifted in excess of 600,000 units in the first phase of the album.

Haentjes says, "This is an excellent example showing that we no longer want to do everything ourselves but that we are also open to develop new mod-

els, such as joint ventures with majors.

Another stream of revenue will come from Edel's Earbooks. The books are attractively packaged, high-quality hard-

cover picture books on lifestyle subjects, with such titles as "La Havane," "Venice," "American Cars" or "Carmen." Along with the 120-page book comes up to four CDs, DVDs or CD-ROMs.

The new products, which Haentjes describes as "coffee-table items," sell at a retail price of $39 (€37) and have met with good response in Christmas markets and gift shops.

The company hopes to be able to tap international book and gift mar-

kets with this range.

Haentjes, who founded Edel in 1986, admits that he has been going through a difficult phase in the past two years.

He has disposed of most of the assets he acquired during a buying frenzy in the late '90s, including indie distributor RED in the United States.

Now, the turmoil is over and he is fully focused on building up his com-

pany again. "I survived when most peo-

ple in the business thought I would not," he says. "Even my banker tells me it is a miracle. We are back to normal business, and it feels good. And it is a good time to be an independent."
‘I Don’t Agree With A Lot Of Ways Business Is Done In The Mainstream’

BY LEILA COBO

Blending a unique style and a velvety voice, Pepe Aguilar has become one of the best-selling Latin artists. A native of Mexico, Aguilar, the son of music and screen icons Antonio Aguilar and Flor Silvestre, rose to stardom as a purveyor of a contemporary style of traditional mariachi combined with pop sounds and instrumentation.

Aguilar began his recording career in 1987 and went on to win a Grammy Award in 2000 for his album “Por Una Mujer Bonita” on indie Musart/Balboa.

In 2003, Aguilar made the move to major-distributed Univision Records, which issued two Aguilar albums in the past year: “Con Orgullo Por Herencia” and “Y Tenerte Otra Vez.” Another album is due in the coming months.

“Pepe definitely has ‘the voice,’” says Pio Ferro, national PD for Spanish Broadcasting System. “I would say his sound was more evolutionary than revolutionary. He made the whole ranchera sound prettier and more romantic, and it worked perfectly with his tone of voice.”

In an unusual move for a regional Mexican act, Aguilar has signed a booking deal with Creative Artists Agency. He also has produced a number of artists, including female rockers Ely Guerra and Juliesta Venegas, and launched two labels in Mexico, one dedicated to rock (Macrin Records), and one (as yet unnamed) dedicated to regional Mexican music.

A multiple finalist for the Billboard Latin Music Awards, Aguilar talks to Billboard about the potential of regional Mexican.

Q: You’ve released two albums in less than 12 months, and you’re releasing a third one before summer. Why so many, so soon?

A: I believe that more than ever, music is consumed in a very quick way, in a very different way than before—especially in Latin markets. This is not new for me, because I’ve released two albums in a year before.

Q: You’ve switched from a relatively small independent, Musart/Balboa, to a very big company, Univision Records. Did you have to change anything to adapt to a company like this?

A: There were a lot of things that I could not do in Musart that I’m doing right now. I could produce for myself, because that’s exactly my concept. It’s exactly as important to me to produce as it is to sing. But I couldn’t produce anyone that I wanted, because I had to ask permission for that.

I couldn’t have, for example, a record company on the side, with that talent that I could produce, because I couldn’t be competition in any way for them. So, it was tough. And now, I want to get to the next step. I started a new company with new people. Very experienced people. And they have territories. Like a corporation, it’s not like the way artists normally work, with a worldwide manager.

Q: You recently signed with CAA. Why didn’t you have an American agency before?

A: I had approaches from similar companies. But you see, the way Latin acts work, they’re not very used to agencies. There’s not a big roster of Latin acts in big agencies. It’s not something we’re very used to. I believe this is the way to go. But we were stubborn about our old ways. However, CAA had expressed an interest two years ago.

Q: Were you concerned that an American agency couldn’t serve the needs of a regional Mexican artist?

A: Right.

Q: What has changed?

A: The world has changed. The community has changed.

Q: Can an American agency help you reach your traditional, first-generation Mexican audience?

A: I have that part of the market covered. We need to reach a different kind of environment, and I believe that we’re going to get there.

Q: Those in the mainstream business seem to be focused on Latin pop acts. Do you think they understand the strength of regional Mexican music?

A: Well, that’s a lot of ignorance that has to change. That’s it. And if numbers in the United States say that 56% of the market is regional Mexican, why do I have to worry that those or four people give relevance to people that aren’t even true artists? Some don’t even sing. The genre of the music is not going to make you an artist. I believe an artist is an artist, whether he sings banda or rap, even if he may not be as noticed as another.

Q: Are you still critical of the way the Latin Grammy Awards handle regional Mexican music?

A: I believe we need to be more recognized. If the music is 56% of the market, why the hell don’t we have 56% of the telecast? Why don’t we present a Latin Grammy in English?

Q: You recently launched two labels. Why do that instead of signing your acts to a major?

A: I don’t agree with a lot of ways in which business is done in the mainstream. I don’t believe in a lot of things that artists go through to be in a record company. I know I can make a little difference, at least in my environment. I want to give my artists a fair deal. I want to really put them in the right places. I don’t want the same marketing plan for everybody.

Q: So what does a regional Mexican singer know about rock?

A: You should have met me when I had an earring and long hair! I recorded a rock album in 1987, before recording rancheras. Rock has been my inspiration and my best weapon. My Mexican music sounds the way it sounds because of rock. I produce and write everything I do musically based in rock.

Q: What happened with that album?

A: It flopped [laughs].

Q: This is a critical time for the music industry. Don’t you feel you’re taking a financial gamble with these labels?

A: Yes and no. Yes, because of the market situation, and it would be very predictable [for me to] do badly. But no, because we’re in this hole because we, as an industry, got ourselves there. Labels started making only trashy products. We forgot that this is a business of artists, and we started hiring marketing products, not artists.

Q: As you know, the regional Mexican chart is dominated by compilations, and there are few new releases out there. Where do you see the genre going?

A: That’s exactly my point. A compilation worked; everybody does it. Where’s the creativity that existed before? They don’t have really good artists. Record companies as we know them won’t exist in five years.

Q: How can small labels be viable?

A: We don’t have expenses like a big company. We don’t have to compromise with anybody but with talent. We have all the time in the world, and we are able to try anything. You’ll hear about new labels opening up more and more often.
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