Good morning delegates and guests. Welcome to the 98th convention of the American Federation of Musicians of the United States and Canada. It is good to see everyone here this morning. We had a terrific time last evening with some great talent entertaining us.

While we have the opportunity to get together at regional conferences and regional resource meetings, it is so good to have all of us under one roof for at least these next four days. Hopefully we will leave here with a renewed commitment to build this organization for future generations of musicians.

I am hopeful that we will have challenging and respectful debates on the Recommendations and Resolutions and find ways to address the problems that lay before us.

The world has changed drastically since we were last together. In 2007 the stock market was on the rise and beginning to surge after the recovery from the aftermath of 9/11. But today in 2010, the US is suffering from the worst economic decline since the crash of 1929.

Unemployment is high, jobs are scarce and the market and economy, while experiencing periods of modest recovery, are still subject to the destabilizing impact of the world economy at any moment in time.

Home ownership and the home building industry has been turned upside down. We have seen families simply pack up and move out of their homes because the mortgage on their home was higher than the value of the home.

Pension Funds have been threatened because of the decline in the value of investments. And those who have jobs are thankful to be working but fear another downturn in the economy may throw them out of work.

Who would have thought that this kind of drastic change could occur in just three short years?

But let’s go back even further to the beginning of how this “over extension of credit” started. Some of you will remember the days when you went to JC Penney on Friday or Saturday night and you bought a new pair of shoes and you either paid cash or you wrote a check.

If you went to the grocery store to buy groceries you either paid cash or you wrote a check.

Buying gasoline you either paid cash or they “put it on the books” and then you went to town on Saturday to “settle up”.

That was the way the world was then. You didn’t buy something unless you had the cash to pay for it. So what happened?
This little piece of plastic turned our lives around. It created a basic change which ultimately was a huge change that allowed people to change their buying habits.

You didn’t need to have money when you went to the store, you could just hand the clerk this card. This card replaced cash. You no longer had to wait until payday to buy what you wanted to buy, you just had to remember to put this little card in your pocket book or wallet you could get instant gratification.

You didn’t have to save up your money to buy that new TV; you just handed the clerk this piece of plastic and then you could take it home, plug it in, and use it and pay off your debt on another day.

Of course, you could be in debt the rest of your life but you didn’t need cash. Get what you want today and pay for it some other time. Life couldn’t be better. With this little card you could buy all of the material items you wanted.

Nothing was too expensive because you had this little card.

This little piece of plastic created a huge societal change in which we no longer were a cash country. We were a credit country.

Some of may remember when there was one phone in the house and having an extension in another room was a luxury. Today we have phones all over the house if we want them.

Having a phone in every room of the house is no longer good enough. Now I need a phone in my hand.

So we have cell phones. It is not a matter of, “do I need a cell phone?” It is a matter of, “how many cell phones do I need and how many pockets do I have?”

I don’t mean to dwell on the old days but we must not lose sight of the fact that if we are going to effectively represent our members in the future we must recognize that life as a musician when we were coming up has changed. And life as a musician 10 or 20 years ago has changed.

Hotels no longer have cocktail lounges where bands play 5 nights a week and musicians can make a living.

The number of society gigs and parties are decreasing and performing on local television and radio has long since gone from our scene. Just like technology and just like our cash purchases, the old days are not coming back.

AFM President Weber ran a campaign to stop the talkies from taking over for silent movies but it didn’t stop talkies from becoming the norm.
Members, local officers and Federation officers must attempt to stay up with societal changes if we are going to be relevant in today’s society.

I’m going to come back to some of the changes made at the Federation to keep up with societal changes in a few minutes, but right now I’d like to speak of some of the work of the Federation over the past three years.

Regional meetings have turned out to be the new way for locals to get together and have meaningful discussions about common issues. The dialogue is exceptional, the information shared is enormously helpful, the camaraderie developed is supportive and the get down to business approach to these meetings is long overdue.

It is the new business model for our union but don’t get to comfortable, because that model is changing and evolving. The Federation has created the new Interactive Officers’ Workshop for officer education and training including the day to day operations of the local and also includes provisions of the LMRDA and labor history.

In Canada we have the “nuts-and-bolts” officers training workshops that have been well utilized with local officers.

And we just completed the new Local Officers Reference Guide and is available on the newly created Local Officers Reference Materials CD. The CD offers a portable way to have the tools needed for Local Operations and training at a fingertips reach.

And the International Representatives continue to provide the necessary assistance to ensure that local officers have an understanding of the law, of how it applies to the local and local elections, and offer practical advice based on years of experience from when they were local officers.

In the Touring, Theater and Booking area, we’ve had three shows, Salute to Vienna, Networks Show My Fair Lady, and Lady in the Piazza Theater of the Stars, who were typically non-union producers, who signed one-off agreements for tours with the AFM.

We were successful during a very bad economic time and negotiated into the Pamphlet B agreement a provision that gets musicians qualified for health insurance much sooner than in the past.

The Federation negotiated a first time ever agreement with Radio City Productions covering an arena tour by the Rockettes.

The Federation successfully negotiated a new agreement with Ringling Brothers with good wage increases and increased pension benefits.

A new Live Music brochure was created by the department and is available to locals. The department has negotiated 9 touring artists agreement since 2007, including Tom Jones, Neil Diamond, Frank Sinatra Jr. and Celine Dion.
The Department covered 44 theatrical productions over the past three years and collected numerous penalties that were due the musicians which were generated by productions taking advantage of musicians.

The office has processed an average of 3400 visa consultation letters per year each of the last three years. I must tell you that this office with three people is very, very busy.

And in the area of organizing we continue to make great progress. The AFM organized the musicians in the Peoria Symphony, Local 26, Peoria IL, the Illinois Symphony, Local 301, Pekin, IL, and the Madison Symphony, Local 166, Madison WI.

In Local 76-493 Seattle, Washington, the department assisted in helping the local pressure management into recognizing the local for collective bargaining.

In addition, we assisted Local 3 in gaining voluntary recognition for the Indianapolis Chamber Orchestra and Local 447-704 in gaining voluntary recognition for the Savannah Sinfonietta.

And the department of O&E has received requests from several other locals to assist with internal organizing. The department assisted with negotiations for the Allentown Symphony, Utica Symphony, Reading Symphony, Northeast Pennsylvania Philharmonic, Colorado Springs Philharmonic, Southwest Michigan Symphony, Eastern Connecticut Symphony, Huntington Symphony, Southwest Florida Symphony, and the New Mexico Symphony. The department also visits schools and universities to teach classes about the role of the union in the professional workplace.

The Symphonic Services Department continues to support locals and members working under collective bargaining agreements in symphony, opera, ballet, and theater orchestras. In onsite assistance in 2007, 2008, and 2009, we did negotiations in about 25 locals for each year. In 2010 we are projecting that the AFM will do 40 local on site assistance with contractual issues.

The Department has assisted locals and members in hundreds of calls and matters of contract enforcement and administration including unfair labor practices, grievance, discipline, discharge and auditions.

SSD, the organizing department, and the IRs worked to help return a former AFM orchestra that left the AFM for a while. We received calls that the orchestra members needed help and we jumped in and helped them complete their contract negotiations and then helped them re-establish their local and the new President of Tuscon is here today. Don Bourqe, please stand up and be recognized.

SSD personnel participate in conferences, seminars, and attend FIM planning sessions for the next world wide symphony summit.
The Wage Charts have been revamped for 2010 and are much easier to read.

We have developed a Communication Database to provide instant contact between SSD and local officers, Committee members and Player Conference Delegates.

We have a system in final testing phase to enable locals with bargaining agreements to have online ratification ability. This will save locals time and dollars in mailing expenses.

During 2009-2010, we added the positions of benefit analyst and information coordinator. Both positions are filled with professionals with high level of labor and computer experience.

SSD maintains two full-time negotiators who average 12-15 negotiations per season and several members who assist SSD on an as needed basis to assure covering all requests from locals. This structure is also being used to train future full time staff from within the industry and the AFM.

We are going to be holding seminars around the country, with three to four seminars to be presented in 2010-2011. These seminars are designed as officer/committee training sessions to improve internal communication, contract administration and enforcement. Additional seminars are being developed to conduct workshops for advanced grievance advocacy in arbitration.

Over the course of the past three years we have had hundreds of contacts with industry employers, locals, committees and producers educating them and administering and enforcing our electronic media agreements for a wide variety of mediums. The newest entries to the family of agreements are the Symphony Opera and Ballet Live Recording Agreement and the Integrated Media Agreement. We continue to obtain new signatories to all of our agreements. In addition, we work with locals and their committees to assist in the negotiation of proper electronic media language in each orchestra's collective bargaining agreement.

In the area of special projects we have created opportunities for Joint Participation with Locals at music business conferences. We have done seminar presentations both through locals and schools around the US and Canada.

We have continued the policy to adapt, when necessary, the existing AFM electronic media agreements through special negotiations to meet the challenge of the ever changing industry.

And our Special negotiations have enabled the AFM to stay a little bit ahead of other organizations in the area of “new media.”

And the Federation has taken legal action to collect monies due our members. We have had a million dollar settlement from American Idol and we are pursuing another claim for $500,000 from the same company and we had a settlement of a claim from the Dean Martin estate.
Our West Coast Office has been very busy after we re-organized a bit and we invoiced companies for approximately $4.2 Million - a 200% increase over 2008 and we collected $3,308,472 - a 160% increase over 2008.

And we built and nurtured strong relationships with producers. For example, we were able to collect approximately $150,000 in new-use for the Michael Jackson project *This Is It*. We also collected $376,341 from MTV in new-use for the Rock Band video game series.

We streamlined B4 research by integrating 4 databases into one and we implemented the B-4 Central Database and Image Scanning Project by scanning all of the B4s from storage.

Public relations has put us on the map. We are all over the internet. We are getting phone calls for radio, newspaper, and magazine interviews. Members of Congress call us for expert testimony and we regularly meet with industry leaders in attempts to help move legislation. The video series is only the beginning. We intend to create videos of our members speaking about the AFM in positive tones. The AFM arranged the press conference with AFL CIO President Rich Trumka and it was an honor for the AFM to host that PR event along with having Peter Yarrow with us.

The internet is where we have to be and we are going to double our efforts to build a fan base as well as membership through the internet website.

This is where the young people are and we believe that we can get to them and they will join.

50% of the people joining AFM on line are under the age of 30 and 75% are under the age of 40.

We are on the internet and we are on the move.

The Freelance Services and Membership Development Department has taken off like a rocket over the past three years. These are a just a few of the Department’s many recent successes:

- GoPro Music surpassed the 3,000 listing plateau
- GoPro Lessons experienced significant growth
- GoPro Hosting had exceptional growth and the Department continued to provide excellent technical support via telephone and email
- The Department participated in the development of a long range membership recruitment and retention plan - resulting to date in nearly 2,400 new members and the distribution of nearly $800,000 to locals
- It developed local newsletter templates, intended to be used as a “starting point” for smaller locals wishing to improve the reporting/presentation of information to its members
- It participated in policy development that now permits self-employed Canadian workers to contribute to and receive employment insurance benefits
• The Department Director received Super Jury accreditation from FACTOR - The Foundation Assisting Canadian Talent on Recordings - allowing for direct participation in the approval process of funding grants to emerging musical artists; the Fund distributes millions of dollars annually
• It developed AFM Quartet Software Suite - a Web-based concept that offers locals (i) a complete local website (ii) automated on-line administration of a Private Members’ Area of the website (iii) an on-line booking referral service utilizing data “served” from the GoPro Music database (iv) full content management of all text/graphics on all local website pages; it is currently in use by over 50 locals
• The Department assisted in gaining worker’s compensation coverage for Canadian self-employed artists
• It anticipated in many major music Conferences including SXSW, NXNE, MIAC, and Canadian Music Week
• It established AFM Facebook with over 2500 “friends”; MySpace; YouTube; UStream (live event video streaming); and Twitter accounts; all social media sites are monitored and updated on a daily basis
• The Department developed and launched GoPro Tunes - the AFM’s on-line digital music service
• And it developed the email template design for AFM Officers Express, President's office, and IM Highlights communications initiatives

And in the area of video games, we averaged approximately $1,000,000 per year in wages and benefits for the last three years. And we’ve collected $376,341 in New Use from MTV for songs used in the game Rock Band.

The IEB took input from a broad group of musicians, composers, and others connected to the industry and created a three page document that is getting work for our members.

And one other thing to note: in many cases it is the work done by AFM orchestras that is winning awards at video game award ceremonies.

In the Department of Government Relations, we have been on fire in Washington.

The AFM was right in the thick of it in helping to get the Pension Protection Act of 2006 adopted so that pensions would be protected in bad times.

And in the area of Performance Rights we have both Judiciary Committees in the House and Senate supporting the adoption of this important legislation. And I can tell you folks we are very close to getting it done.

We organized a boycott of Delta Airlines and successfully worked behind the scenes to convince Delta officials to change their policy of not allowing instruments on the plane.

The AFM worked on legislation that enacted stricter penalties for copyright violations and created the position of White House Intellectual Property Enforcement Coordinator.
We worked to increase funding for the arts to $167,000,000 for NEA

We lobbied for FCC reauthorization bill, which contains a provision for musical instruments as carry-on luggage on airplanes.

We also participated in the AFL-CIO’s efforts on health care reform, which resulted in the passage of legislation that expands health care coverage to 46 million uninsured individuals including many AFM members and provides subsidies to make coverage more affordable. This bill also lowered drug prices for Medicare beneficiaries.

And we are working on Net Neutrality, Internet piracy of recorded material, intellectual property matters and protection of copyrights. Folks we have a lot of stuff going for us.

But we have challenges. While we can talk about all of the positive events in the life of the AFM, there are certain realities that we must face.

We are losing work under some of our national agreements. Wages under SRLA have gone down $5 million to $16.7 million the past 4 years. Wages have gone down about $3 million in the last three years to $4.5 million under the Commercial Announcement Agreements.

Commercial reuse/new use/dub wages have gone down about $9 million in the last four years to $14.3 million. And in motion pictures the wages have dropped to an all time low of $14.8 million which is about $7 ½ million less than last year which was $22.5 million. Folks, this should be a wake-up call to all of us that we need to take a look at the way we do business and if necessary, we must change our approach and if that means modify some of our contracts to re-capture work then so be it. But we can’t sit back and do nothing. If we do, then we won’t have a union that has electronic media work.

So under our agreements work is significantly less and I hear that from musicians all the time. And our members want us to do something about it.

Those who have the work and are doing well don’t want us to change anything in our contracts and those who are losing work want us to take actions to get work back. This dynamic creates fear on both sides and can lead to vicious arguments and strong disagreements.

And it can also lead to our own members just doing the work without a contract, or, a dark date. Now that doesn’t help solve the problem of less union work either.

Let’s face the facts, in this global economy, it is very easy to get your picture scored anywhere in the world thereby avoiding some of the conditions in our contracts that are good for AFM musicians.

In video games, we’ve begun to recapture that work but it was with the understanding that AFM contracts had to be modified. Had we not come up with a new concept and new kind of contract we would not have had the success we’ve been experiencing.
So when work goes down, stress is created by those who have the work and want nothing to change and those who don’t have the work and want the AFM to do something to get the work back, even if that means changing traditional contract language that may not be working so well anymore.

Let’s face it folks we have people making some real good money under our motion picture agreement with additional big amounts received from the backend payments. And that is terrific and I’m really happy for them and we all should be happy for those folks that are doing well.

But if more and more of that kind of work is leaving the US and Canada then the AFM has an obligation to try to determine why and, if necessary, make contract modifications to help us begin to get that work back for our members.

The AFM must be concerned about losing work to non-union orchestras and musicians both in Canada and the US to foreign countries. This problem of loss of work cannot be solved by limiting the number of participants in the room when the discussion takes place. Inclusiveness rather than exclusivity is the only way to address problems common to all musicians. I’ve always believed that the employed and the under-employed should be part of any discussion regarding lost work opportunities. While some have called this a divisive tactic, I believe there is nothing to fear from having a larger representative group participating in a discussion about capturing lost work. What is it that we fear if we include more individuals in brainstorming sessions that are designed to deal with the problem of gaining lost work?

Inclusiveness ensures a well-rounded discussion with all points of view represented and it offers those who suffer from loss of work the chance to work through the system with their brothers and sisters in a cooperative effort to resolve the issues.

Otherwise, the group with the most to lose feels alienated and must fend for itself in ways that are destructive to union solidarity.

If we are going to prepare our union for the future, the AFM must recognize that the global economy has changed the world in which we live. The AFM must adapt to the world as it is today—not the world we once knew or would like to see. Therefore, we must examine the way business is done today and be prepared to change when necessary.

This organization cannot allow our market share to continue to dwindle in the area of national agreements. We must be prepared to take the necessary steps to capture work rather than see it go to non-union musicians or to foreign shores. The AFM cannot become paralyzed by holding on, to the past. We must learn from the past to prepare for the future.

And what are we doing to ourselves instead of preparing for the future? We are fighting! We all say that we want peace in our union. I certainly do and I hope that everyone here does as well.
But I must say when letters are continuously mass distributed that contain accusatory, derogatory, or inflammatory and intimidating comments that are meant to denigrate, defame, and bully an individual or individuals, that is not a letter written by someone who is trying to achieve peace. I believe most reasonable people would find it hard to believe that the authors of those kinds of letters are sending a message of peace.

Is it not possible in our organization to send letters or emails that demonstrate respectful disagreements with individuals or groups of individuals without character assassinations? I want peace and I’m calling for all of us to go down the road of respectful expressions of disagreement and a more inclusive group of individuals involved in the discussions on how to recapture lost work.

Let’s not denigrate each other. That is a destructive distraction that keeps us from moving forward. We must demonstrate respect for each other and move together in a positive fashion if we want to build a solid future for the AFM.

Organizations must have structure. There must be a governing document and in this case it is the bylaws. There must be a governing body and in the case of the Federation it is the International Executive Board. And there must be someone who carries out the decisions of the IEB and makes final decisions in the administration of the AFM and in this case it is the person sitting in this chair.

Everyone has the opportunity to make their case on any dispute or potential decision; but once the decision is made, we must move on. There is no doubt that I’ve made mistakes on some decisions and so has everyone in this room. And I’ve publicly admitted some of those mistakes, but it does us little good to continue to focus on a decision of the past when there is so much to do for the future.

Those with the good jobs making a good wage say, “don’t change anything. Even if work is dwindling, I’m doing fine right now and don’t even consider modifying our contracts to get more work.” And those without jobs say, “it is time to change or modify our contracts so we can re-capture work that has left us.” This is what the stress is about and it is driven by legitimate fear.

A union that is afraid to examine its past practices in light of the world as we know it today is one that will watch all of its work simply go non-union. We have local officers all over the US and Canada that are telling us that they can’t organize young people because our current recording contracts don’t work. We must not be afraid to engage in a dialogue on these issues if it will help us capture work.

Yes we have full-time musicians, part-time musicians, and weekend musicians: all who have the opportunity to perform and work under AFM contracts. I believe that every musician is important and has the potential to work under an AFM contract.
But to move forward we must treat each other with respect. The future depends on it.

I want to see an AFM in which there is an understanding of the importance and value of solidarity in collective bargaining. I want to see a union that recognizes and respects the needs of all members without regard to the styles of music they perform or the frequency in which it is performed. We are all best served with a forward and innovative union that recognizes that some members may be best served with an association style organization. I want to see an AFM in which the members demonstrate respect for each other and learn to discuss and resolve their differences without hostilities. And I want to see an AFM in which each member is willing to help a member less fortunate than themselves.

In my view, we must all help each other survive. We have an obligation to take the necessary measures to help our brothers and sisters get work and one in which there is no fear of open and honest discussions with a large body of officers and members in what changes must be made to recapture work.

We must be a union where an injury to one is an injury to all. We must become a union where those who are doing well willingly make sacrifices to help those that are losing work.

We can build this organization into a very powerful union but we must recognize that without demonstrated respect for our brothers and sisters we will simply never reach the potential of great power.

Where is this Federation headed? Delegates I tell you it is headed wherever we want it to go. I want you and I want to see a union where brothers and sisters care about each other. A union in which we rejoice for those that are enjoying success. We need a union where those who are successful are willing to make sacrifices in order to help others get work. We need a union that doesn’t fear having new voices at the table when we discuss negotiations yes, a union where every musician has a voice and a place in the discussions.

I would like to share a story with you today that I think is appropriate:

A man won a tour of Hell in a raffle. And while there, he was fascinated to see groups of people huddled in circles around pots of nourishing stew, the aroma of which filled the air wonderfully. Each person held a beautiful deep spoon almost large enough to hold a full meal in itself. Yet he observed that every person was skinny, bony and weak and totally miserable.

Then he saw why. The spoons were fastened to their hands and the spoon handles were so long that the sufferers couldn't turn their spoons to their mouths.

Suddenly he was whisked away to Heaven.
There he saw exactly the same scene - stew - circles - spoons – same long handles, but the people were all nourished, round, rosy and happy - all laughing and chatting with not a care in the world.

The tour host noticed the tourist's bewilderment and said, "It takes a while to understand, but if you look closer you'll see that in Heaven they feed each other."

The concept of a union is one in which everyone works for the common good. No person or group is more important than the next. Each member of the union should be focused on how to make life better for the rest of the members. This kind of positive team spirit will solidify the membership, contribute to AFM power, and allow the AFM to gain the kind of recognition necessary to help musicians at all levels.

Folks, let’s stop the bickering. Let’s treat each other with respect when we communicate. Let’s understand the power we posses and can unleash if we broaden the discussions, include a wider group of our members, and not fear taking chances in order to capture work for our members and build a stronger union for future musicians.

That is our obligation and we can do it. But we cannot continue to look backwards and focus on what happened in the past. We must look forward to what we can make happen in the future.