

# LUKE LEWIS

## Riding Off Into The Sunrise

**To the chattering digerati, record labels are battleships in a submarine world – old, slow and easy pickings. And though UMG/Nashville Chairman Luke Lewis captains one of Nashville's most formidable label fleets, he has no intentions of going down with the ship. He's flirted with retirement and by all rights should be worried about fading CD sales and corporate (read: conservative) radio, but he seems to have pushed those issues to the side. Competition and his enthusiasm for a new generation of artists have him as energized as he's ever been. In fact, he's been drawn to that kind of creative energy since his youth.**

**CA:** In a recent "My Tunes" feature for *CA Weekly*, you mentioned that Gram Parsons was "a high school friend who played country music with a rock attitude." He certainly must have influenced your musical tastes.

**LL:** Yeah. We were actually roommates at a boarding school in the early '60s. He was already very musical – a trained pianist. But he was singing folk music then and would go off on weekends to play *Hootenanny* shows. We were only 15 or 16, but even at that age, he was one of those people you just knew was going to be somebody someday.

He was really smart, and musical as all get out. And, in some respects, a bullshitter. He'd sing Scottish folk ballads and claim he wrote them. But we surfed together and went to each other's homes for holidays and stuff. We were really good friends.

Musically, Gram sent me down the path I've been on. I don't know that I ever would've had an affinity for country music if it hadn't been for him. He turned me on to the Louvin Brothers. We

Wolfman Jack. If there were formats, I certainly wasn't aware of them. It was all Top 40; if it was a hit, it was on there. It didn't matter. And you didn't have a physical sense as to who was singing it, what they looked like or how they dressed. It was a really innocent way to come at popular music – to not have any of those other trappings – until Ed Sullivan came along.

So it was *all* about the radio. To bring things full circle, one of the things that distresses me most today is that terrestrial radio no longer seems to be devoted to being a place where people discover new music. That's not to say that people *don't* discover music there. But at one point in time there seemed to be a dedication to it.

It's heartbreaking to see young people leaving radio in droves – or having never even turned it on to begin with. If I were to say that to one of my own children, they'd say, "We're OK. We discover music on the Internet." And I would say, "OK, I'm just an old guy." But I wish you could still turn the radio on and hear more new music than old. If I were radio, I wouldn't

encourage taking risks because he knows that's what it takes.

I search all the time for entrepreneurial people in the radio business, and I'm not sure where they are. On occasion, I must admit to sort of rooting for the station groups to fail and have to break up so that some individuals can buy stations and have the opportunity to be entrepreneurial. I know that's a rash thing to wish on anybody. But I don't see any other way for it to occur.

**What's your sense of the relative health of the music business? Is it fair to say that the music business should or could be fine, and that it's just CD sales that suck?**

I don't know that they suck; sales just aren't as big as they were. There's a lot of doom and gloom, but it's been small before. I'm not one who thinks the end of the frickin' world is coming for music or record labels. Might we go through a rough time and have to constrict? Absolutely. But I'm still bullish.

All of us have been spoiled. We've been a growth industry since at least 1981. Everybody wants to attribute the explosion to the CD. That had a lot to do with it, of course. But a whole lot of amazing music came out in that time, too, including some stuff people might turn up their noses at, like corporate rock and Michael Jackson. And the business took off and got really huge. But who says that growth was going to go on forever, or even that it should? It may have been finite to begin with. It may have been the beneficiary of some really good fortune, timing-wise, with carriers, the music, the artists and the environment.

But it seems that all of a sudden we're embattled, although I'm not so sure that's even the case. The Internet, new delivery systems and new ways of discovering music might enable another growth spurt that makes it even bigger than it's been in terms of revenues. That said, my day-to-day function is not to try to figure out the next delivery system or make a deal with MySpace, Yahoo!, or whomever. There's a whole bunch of really smart people inside Universal who dedicate their time to all that. I'm looking for hit artists, hit songs and ways to expose them while trying to keep a bunch of really good people employed.

I don't sit around a whole lot and contemplate all these things that are causing us problems. I don't come to work depressed; I'm having a big time. We had a great year in 2007, and we're going to have another one this year. I hate that there are labels going out of business, people are losing their jobs, there aren't as many records being made and not

as many artists having opportunities. And I also hate that radio is losing audience, because it's our primary driver. But if declining CD sales cause financial difficulties for record labels, there are two choices: A) get smaller and get costs down, or B) get more market share to keep the doors open and keep everybody employed. I go for plan B.

**What excites you? What gets you out of bed every day saying, "I can't wait to go to work."**

New music excites me more than anything. I'm still like a kid – that first dose, when you first discover it – it gets you excited. Everybody who loves music loves to turn their friends on to something they haven't heard. So I get to come here and try to turn people on to things they haven't heard that I think are really good. I think I've got common ears; I don't think I have particularly good ones. So when I find something that rings my bell or makes me smile, and I get to turn people on to it, that's real exciting. And it's always nice to know that maybe you're right when other people gravitate towards it, especially when they want to spend money for it. That's pretty amazing.

**Sounds like you're energized by the new artists and music you're hearing these days.**

I've been doing this job for 15 years, and I haven't seen a wave of young artists like I'm seeing now – young writer/artists who are absolutely geniuses. And I don't use that word loosely. *That* lights me up. I'm not saying there weren't any young people coming through here in the past. But now there are more of them than I've ever seen. They're really talented and have honed their craft. They're dedicated and bright. And *that's* the future.

**Radio and the music business are at odds over performance royalties. What are your thoughts on broadcasters paying artists and labels in addition to songwriters?**

I don't know if it ever would have come to the forefront if record labels weren't having such a rough time. We've kept our mouths shut for a long time about that.

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both had heard the Ray Charles record [*Modern Sounds In Country and Western Music*, 1962]. Of course, Gram did the Byrds' *Sweetheart Of The Rodeo*. I was vicariously following where he went musically.

He wound up around all these folks in Tulsa – Delaney & Bonnie and others – they made a really obscure record called *Motel Shot* that had a lot of old gospel songs in it, roots music. And then he went and hung out with the Rolling Stones, and I was jealous at the time. I knew he was in France, but I didn't know he was using junk. He had an enormous influence on those guys – the country things you hear from the Stones were probably because of him.

So, both of us were rock and roll kids who had listened to country. There were huge country hits when we were kids, but we didn't know they were country because they played them on Top 40 radio. We just knew they were songs we liked. So I guess I liked some country music before I ever knew what it was.

**Radio seemed to play a big role in forging your musical tastes.**

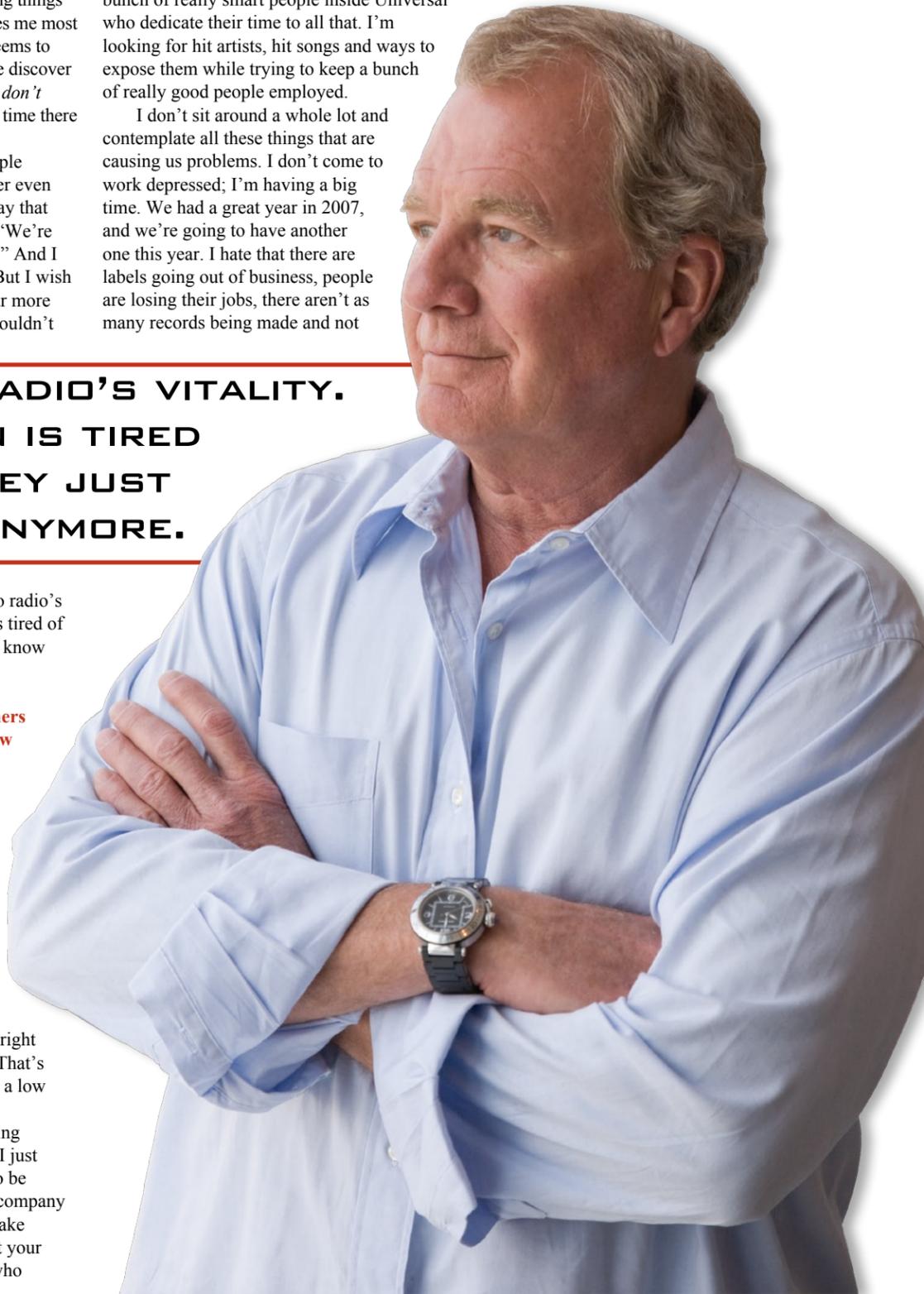
My first sense of popular music came in the '50s. As a kid in Florida I used to listen at night to WLAC/Nashville, WABC/New York, WLS/Chicago and stations in Miami. And once in awhile on a clear night you could pick up

concede that. New music is so critical to radio's vitality. I don't believe my generation is tired of discovering new music. They just don't know where to get it anymore.

**Programmers would argue that listeners want to hear their favorite songs – new and old.**

The [large] amount of old music radio plays doesn't make sense to me right now. There are a couple hundred million iPods out there that people have loaded with their favorite songs, so they don't need to turn the radio on to hear their favorite music anymore. So why does radio keep playing it for them? This is the entertainment business. You have to be aggressive and take risks. And it seems, because we're sort of embattled right now, people are going into the bunker. That's not a good way to win and grow. I have a low tolerance for playing defense.

On the other hand, people are fighting for their jobs, so it's hard to be critical. I just wish both sides had more opportunity to be entrepreneurial. The nature of a record company is entrepreneurial because you have to take risks every day. Big ones. Some can put your organization at risk. But I have a boss who



We're not making enough money to keep our doors open or to thrive. What used to be unbelievably offensive to me was when broadcasters suggested we pay them to play our records. That's so fucking backwards it makes my blood boil. Anybody with any brains ought to know better than that. People could say to me all day long, "You make money because

It's not as much fun now. But I'm not looking for fun. And anybody who's in this business just because it's fun is going to get blown out sooner or later (*laughs*).

People have spoken to the benefits of CRS forever, so I can't say anything new. But to have a bunch of artists and a bunch of people who work for record companies and the radio industry

**What do you think of the 360 deals – where labels are partners with artists in their other revenue-generating ventures?**

If you don't have any other choice, maybe. Business models evolve over time. Until recently, the record company was the bank, with the resources and manpower to make and expose music and advance an artist's career. The payback was that the record company kept 85% or so of the money. I never heard anybody squeaking about that. If an artist was incredibly successful, the deal was adjusted. That all seemed to work pretty well for everybody.

In the past, a large part of an incredibly successful recording artist's income came from record sales. As touring got huge, record sales income for superstars became miniscule in the big picture. So it's probably not a surprise that people say, "Wait a minute. We crank up the engine, help make you a superstar and we're making 85% on a CD that we can't sell as many of anymore. And you guys are out there raking it in on merch and touring. Maybe we should get some back." I totally understand.

But you're not going to get one of those deals done with an established act unless you hand them a huge pot of money like Live Nation is doing – which is another example of a new model. So it's the new act that walks in the door who is targeted for a 360 deal. And really, what other choice do they have, especially if *all* of us were to go that way?

It's more likely that in the future management companies and record labels will merge, in some sense, and, in essence, create a 360 deal. It might work to have different companies under one umbrella, although I don't think they could be in the same building. I'm not going down the path of having managers work out of here. That's so conflicted it could never work.

**Will any of these alternative options cause country superstars to leave their major label homes?**

Particularly in Country, you need hits to make a lot of money selling concert tickets and merch. And to have radio hits you need some infrastructure.

If it was just about making money from an album, there are a lot of superstar artists who could finish their obligation and sell a record directly to Wal-Mart. Instead of making \$2 a record, they'd make \$7. If selling CDs is your primary income stream, it makes sense. But if you need to be on the radio, you need a promotion staff, which costs some serious money to maintain.

Toby Keith did it.

I've always thought that was fair. Toby sold more than a million units of his first record and had a lot of success. I'm not good at history, but my sense is that at the time, Shania blew past him in terms of the scorecards. And I always thought Toby's perception was that he wasn't being prioritized as much as she was, and that was a fair assessment on his part. So I never felt there was anything particularly unfair. It did seem to get pretty mean-spirited for awhile, and I suppose it's a natural instinct to react that way, but I found it understandable. I've had a comfortable place in my heart because he came and asked to be let go [from his deal with Mercury.] He was going to the label [DreamWorks] his producer James Stroud ran, and I couldn't argue that it might not be a better situation for him because he'd be the lead dog there. And, he wasn't going to be [at Mercury] with Shania here. Any label head who says they don't prioritize their biggest act is lying. You have to.

I've always sort of understood Toby's frustrations, his desire to be the lead dog and, ultimately, to have his own way and not be encumbered by anybody who wasn't employed by him. He really wanted to control his own environment, and that's understandable. It might cost him money to do that, but he's got it. It's affordable to him, obviously.

We can all sit around and make some judgments about the results, but the results don't matter. I'm fine; my business is fine. I'm sure Toby is fine. I don't know that he would second-guess any of it. If I were to second-guess any of it, on a purely business level, it might be that I should have gotten an override, but I let him walk with no strings.

I can't say that it wasn't in some ways painful just because it was a waste of energy for both of us. Especially when you're attempting to do right by people, and I've always done that. I'm certainly not righteous or perfect, but I've always tried to be fair and I tried to be fair to him.

**Where are you right now? I heard some talk that you were thinking about retiring – we even talked about it a time or two. Next thing I hear, you've signed a new deal.**

Yeah. A couple of years ago I was really frustrated, feeling dark and not really enjoying my work. And two things happened: One, I'm very fearful of retirement. I like to fish and golf, but maybe not that much – I've never taken enough time off to know. Second, I became reinvigorated at work. I've got a wonderful bunch of people and artists, and I have hope for the future. What I really want to see before I leave is the blast-off after we bottom out. And I feel like we're really close. And when this



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we're promoting your product." Bullshit. Radio makes way more money than us, using our free content. Radio pays its talent and everyone else who creates content. I know radio is paying songwriters, and God bless 'em. They should probably pay them more. But radio needs to pay the artists, the record labels and the people who own the content. I come down harshly on the side of that. I have no tolerance.

**You were at CRS once again this year, roaming the halls and attending some panels. What was your sense of the mood and the people?**

It bothers me that at a time when we should be more symbiotic than ever, both sides are embattled by their respective marketplaces and other outside sources.

But I'm encouraged by the number of really bright people who are still in both industries and really dedicate themselves, just as they always have. They all have their heads down and are trying to figure out how to turn the ship.

I don't know whether you can merely survive in this business anymore. I got in it at a time when it was fun and in a growth phase. My first CRS after I came back to town 15 years ago was more fun. There wasn't the stress of keeping the doors open and keeping everybody employed.

get together and look each other in the eye and have meals is just such a civilized thing. It's really unbelievable, particularly when we bang heads a lot and get frustrated with each other – for whatever reason.

**You've also been concerned about radio's use of research.**

I'm worried sick about what I perceive to be an over-reliance on research, particularly when budgets are being cut and you know that the research probably isn't as good as maybe it was or could be. So *that* scares me.

It used to be that a record guy would go to a station and give 'em a new song, and then give the record store 30 copies of the record. Radio would play it, and if it sold, radio would keep playing it. And we'd put more in the store. That's the best research there ever was in the history of the music business. You knew *immediately* whether anybody cared about hearing it. I have no sense that, other than a few people, anybody's looking at sales today.

And the most beautiful research on the planet today now is digital sales. You can go online to see what people are buying every week. If there are enough people playing a song, I can look at it and tell you whether it's a hit, if it's burned and when it's over.

But he's the only good example right now. And if you're just doing it on your own records, it probably just doesn't make any sense. There are more efficient ways you can make a deal with a record label. Garth has a different model of doing this, for instance. He doesn't have a record label, per se.

**Will it cripple labels to build stars, only to watch them go off on their own?**

Listen, we make deals for six or seven albums; that's a long time. If we want to keep them around, a lot of them respond to a really big check. (*laughs*)

**You mentioned Toby Keith a bit ago. Through the years, Toby has been very vocal in his criticism of big labels and, at times, about you personally. It strikes me that, perhaps uncharacteristically for you, you've been very quiet about the whole matter. Certainly you've had thoughts and feelings about what went on between you and Toby.**

I've never spoken about that with anybody. Look, I've been working with artists for 35 years. Most of them – and I think this is true of Toby – have really high standards. They strive for excellence. And, if they perceive that a member of their team isn't meeting their standards, they get frustrated.

business blows again, it could be bigger than any of us have ever known. I've been here 15 years. I've got a bunch of people who've been working for me for nearly that long, and I'd like to see them have bright futures. Not that I'm essential to that, but I'd like to see them [get further] on their way, and I'd like to leave on top. Who wouldn't, in whatever they do?

**You run one of this town's biggest label groups with some of our format's biggest stars. That's not on top?**

No. Joe's still on top. [Sony BMG Chairman Joe Galante.] So I've got another couple of years to go, I guess.

**Wait a minute. This sounds like [Florida State football coach] Bobby Bowden and [Penn State football coach] Joe Paterno – 80-something-year-old guys who aren't going to retire because the other guy has one more win than they do.**

Yeah, kind of! Hey, it's wonderful to have competition. Joe and I have been competing for 30 years. We used to play tennis and compete. He's a wonderful competitor, and he keeps you on your toes. I love the competition part of it; it's fun. It wouldn't be nearly as much fun without Joe around.

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