



Drumming up support for music education in Washington, NAMM staged a ukulele and drum circle at the Department of Education. At left, Peter Cunningham strums a uke as Richard Riley, former secretary of education; Joe Lamond, NAMM CEO, and former Yankees great Bernie Williams look on.

Enlisting Help In Washington

At the annual D.C. “Fly-In” NAMM members lobby Congress to support music education and to stem the tide of counterfeit Chinese merchandise

INDUSTRY RETAILERS AND suppliers made the trek to Washington D.C. on May 10-11 for NAMM’s annual “Fly-In,” to press Congress to increase support for music education and international trademark protection. The meticulously planned event included a day of training at the offices of the law firm Barnes & Mullins, where NAMM members were briefed on policy issues and the protocols of lobbying, followed by a day on Capitol Hill, where they put the lessons into practice in presentations to dozens of Senators and House Members. Addressing the group, NAMM CEO Joe Lamond stressed that political lobbying was unlikely to produce immediate results, given the pace of the legislative process. However, he added, “Over the long term, it’s important for NAMM and the industry to have a voice in the Capital. That’s why we’re here today.”

The rapid growth of Chinese counter-



The NAMM Executive Committee in front of the Capital. (l-r) Tom Schmitt, Schmitt Music, chairman; Joe Lamond, CEO; Kevin Cranley, Willis Music, vice-chairman; Mark Goff, Paige's Music, treasurer; Bernie Williams, former Yankee and Grammy-winning guitarist.

feit products pushed the issue of intellectual property protection to the top of the agenda at this year's Fly-In. D'Addario & Company and C.F. Martin Guitar are just two of the companies that have recently been fighting Chinese manufacturers who have misappropriated their trademarks, and many others view the problem as critical. Jim D'Addario, CEO of D'Addario & Company explained that counterfeit goods "cost us sales and jobs at our U.S. factories and diminish the value of our trademark. It's theft, and it's hurting our business."

Putting the counterfeit problem in broader perspective, Chris Finnerty, a partner with Barnes & Mullins who has represented Bose, Olympus, and Tivo, told the NAMM group, "Counterfeiting is not a new phenomenon; it has been with us since some ancient Greeks started forging wine labels. What has changed is the internet. It has moved counterfeit goods from the back alley into the mainstream. Instead of buying them from a shady character, you can get them online, safely, from the comfort of your own home." Because of this online accessibility, he noted, seizures

of counterfeit goods by U.S. Custom Department had surged 34% in 2010. William Costen, a litigator from the Venable law firm, offered up a similarly grim assessment. "We live in an age where there is no fear or stigma trading



Top political operative Mike Schmidt, who headed the 2004 John McCain and 2004 George Bush Presidential campaigns, provided attendees with an overview of the political scene.

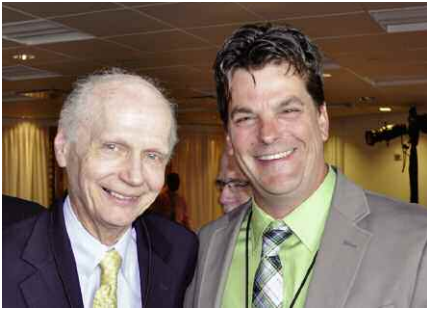
in counterfeit goods. In the absence of fear, counterfeiting will only increase."

Both Costen and Finnerty agreed that the best strategy for reducing the flow of counterfeit goods is to attack the websites that offer them for sale. "If you can block counterfeit goods from websites like eBay and Alibaba, if you can seize the domain names of counterfeiters, and if you can shut down servers that host counterfeit sites, you can significantly drive up selling costs, and thereby reduce the incentive to sell knock-offs," said Costen. "Once you force a Chinese counterfeiter off the internet and make them bring someone to the U.S. to sell their goods, you seriously crimp their profits."

The next day, industry members including Jim D'Addario; Bill Carpenter, Hamilton Stands; Jim and Sharon Hennessey, The Music People; Lee Holtry, Fender Musical Instruments; and Gregory Paul, C.F. Martin Co. took this message to Capitol Hill. Joining them was Jonathan Lipp, CEO of retailer Full Compass Systems. Lipp noted that "As a retailer stocking legitimate products, competing against websites selling counterfeit goods puts



Making the case for music in Washington, Tom Dolan, QRS; Grant Billings, Steinway Piano, Madison, WI; David Slan, Steinway Piano, Washington D.C.; Greg Billings, Steinway Piano, Naples, FL.



Former Education Secretary Richard Riley with Mike Upton, Kala Ukuleles.

us a competitive disadvantage. We look like we're price gouging."

The visits were particularly timely given that pending legislation sponsored by Patrick Leahy, senator from Vermont, and Orin Hatch, senator from Utah, gives the Commerce Department expanded authority to shut down websites that traffic in counterfeit goods. Although the bill enjoys broad bi-partisan support, the details of the enforcement procedures are still being debated. Ultimately, passage of the bill is considered likely.

At a meeting with staff members for New York Senator Charles Schumer, John Burke, legal counsel with D'Addario & Company made the case for speedy passage of the Leahy/Hatch bill, noting that Chinese-based websites, including Alibaba.com and TaoBao.com carried hundreds of listings of counterfeit D'Addario products. "If we could keep our brand name off those sites, it would be a tremendous help," he said.

Staff members of senators Schumer, Rob Portman of Ohio, and Richard Blumenthal of Connecticut expressed



Jim D'Addario, CEO D'Addario & Co. with Sharon Hennessey, vice-president, The Music People.



NAMM Honored outgoing National Association of Education president John Wilson. (l-r) NAMM's Mary Luehrsen; Michael Butera, executive director, MENC; John Wilson, NEA; Joe Lamond, president and CEO.

sympathy for the plight of manufacturers competing against counterfeiters, they also seemed to be unclear about how to help. One staffer explained, "Responsibility for stopping the movement of illegal goods falls to the Commerce Department, the Department of Homeland Security, the International Trade Representative, and the Import Control Enforcement Agency. We're still figuring out how best to work with these agencies."

Although the federal government's role in education is limited—only 10% of educational funding comes from Washington—it maintains an outsized influence. The most pressing educational issue in Washington is currently the reauthorization of the Elementary and Secondary Educational Act. First passed in 1964 and currently known as the "No Child Left Behind Act," the legislation serves as a legal umbrella that guides all federal involvement in

K-12 public schools. A major component of the Act involves distributing Title I funds to impoverished school districts. At present, Title I funds can only be spent on core academic subjects. NAMM's lobbying effort focused on rewriting the regulations to make music programs eligible for Title I funding. Addressing NAMM members, Tom Schmitt, the association's chairman, said "It's our job to communicate the benefits of music education to members of Congress."

To help dramatize the benefits of music, NAMM created a memorable photo op for the Department of Education, organizing staff members and local school children in a ukulele and drum circle rendition of Woody Guthrie's anthem, "This Land Is Your Land." Adding star power to the event, jazz guitarist and former New York Yankees great Bernie Williams led the performance and was joined by policy leaders Jim Shelton, assistant deputy secretary for the office of innovation and improvement; Peter Cunningham, assistant secretary for communications and outreach; and former U.S. Secretary of Education Richard Riley.

"We are 50 million percent in favor of music and arts education in schools," said an enthusiastic Cunningham with his ukulele in hand. "We will work very hard to make sure America embraces the benefits of a full education that includes music and the arts." Joe Lamond also presented Cunningham with a commemorative patriotic red-white-and-blue-painted ukulele donated by NAMM member Kala Musical Instruments in appreciation for the Department's ongoing commitment to music/arts education.

TONY BENNETT SINGS

NAMM's Fly-In concluded with a reception at the Capitol that featured performances by Tony Bennett and Bernie Williams. Their star power drew a crowd of senators, House members, and senior staff. Bennett told a rapt audience, "We hope to see every public school in the United States have an art program. And it will be the best thing that ever happened to the United States because the whole premise of art is to search for truth and beauty. And when

[NAMM At The *CAPITAL*]

you give that to the rest of the world, every country will respect us so much. And so I hope you'll help us with that."

Platinum recording artist and VH1 Save The Music Foundation Ambassador Gavin DeGraw was also on hand to address the value of arts education. "Preserving music in

schools is about preserving our culture," he said. "When I meet people, I don't share math problems with them. But I do share music because it connects us in a very deep and personal way." Williams added, "Music has had a very profound impact in my life. I was able to incorporate the things

I drew from music like dealing with stress, overcoming adversity, into my athletic training and my life. I also believe that every kid should have the opportunity to learn to play a musical instrument, and that's why I'm here today."