

**Doug Morris, Chairman & CEO, Universal Music Group
Testimony before the House Energy and Commerce Committee
Subcommittee on Commerce, Trade and Consumer Protection**

Tuesday, September 25, 2007

Mr. Chairman and members of the Committee, my name is Doug Morris and I am Chairman and Chief Executive Officer of the Universal Music Group. Our company develops, manufactures, markets, sells and distributes recorded music through a network of subsidiaries, joint ventures and licensees in 77 countries around the world. We also own and administer music publishing interests.

Thank you for having me here today. And thank you for this opportunity to be part of the national dialogue on the impact of music in our lives, and on our society.

First some context. Universal's recorded music catalog covers everything from Motown and Mozart to The Who, Luciano Pavarotti and Muddy Waters. Our current artist roster includes contemporary sounds like those from Chicago rappers Common and Kanye West, established artists like U2, pop artists like Mariah Carey and rock bands like Fall Out Boy and Blue October. We have R&B artists like Keyshia Cole, Latin rockers like Juanes, classical music stars like Lang Lang, and the country sounds of George Strait and Reba McEntire. We also distribute titles that range from High School Musical and Hannah Montana to Cornel West's recent CD containing a collection of works about contemporary society.

Rap and hip-hop are just a small part of our total number of releases each year. Through August they were only six percent of our physical album sales and eight percent of the digital tracks and albums sold through legitimate online sites such as iTunes. Based on record sales, the height of hip-hop and rap's popularity was in 2000. According to the August 17, 2007 Time Magazine, in an article entitled *Hip-Hop's Down Beat*, rap sales have dropped 44% since 2000 and declined from 13% of all music sales to 10%.

Universal's mission is to offer music fans around the world a selection of voices and sounds from as diverse and dynamic a group of artists as possible. We strive to offer something for everyone - knowing full well that not everyone will like or appreciate every artist, or every work by every artist.

I have been blessed - incredibly so - to have spent my entire professional career in the music business. I began as a singer and songwriter. I wrote the Chiffons' hit "Sweet Talkin' Guy." I also produced a few records - including Brownsville Station's "Smokin' in the Boys Room." Back then, in the 60s, I never would have imagined that I would work with some of the most influential names in music - including Chuck Berry, The Rolling Stones, Stevie Wonder, Pete Townsend, Roberta Flack, Bette Midler, Mariah Carey, U2, Jay-Z and others.

I am not a stranger to the subject matter of this hearing. Lyrics and the content of popular songs are something that I have thought about and discussed with artists, managers, music fans and industry executives a great many times, over a great many years. It is a serious issue. There are problems in our communities and it would be disingenuous to act as if music and the media have no influence on our culture. The question that my colleagues and I regularly wrestle with is what we should do when an artist chooses to push the edges of the envelope. How can we balance the artist's right to express him or herself with our responsibilities to parents, employees and society at large? These are important issues and we thank the Chairman for providing such a prominent forum to further this conversation.

The reason I so love working with artists is because they look at the world a little differently than you and I. I enjoy being around them because they are innovators who push us to experience things we would not otherwise express, consider, reflect upon or imagine. One point that I cannot emphasize enough is that their words are their words - not mine or anyone else's.

The truth is that there is a healthy debate going on in the nation among singers, songwriters, musicians and music executives regarding the lyrics and words that are often found in some rap and hip-hop materials. From rappers themselves – as heard in Chamillionaire's news songs on his latest album - *Hip-Hop Police* and *The Evening News* - which give his perspective on this very subject, to the Oprah Winfrey show, to op-eds in newspapers, the words used by rappers are prompting debates that are telling us things about ourselves and our society. The founders of our country knew that we are healthier as a nation if we don't silence words that offend or provoke, but instead use them to encourage the very dialogues and discussions we are having today. I share that view.

The conversation is not solely about music - it is also relevant for broadcasters, movie studios, video game developers, comedians and many other types of entertainers. Many community leaders, including you Mr. Chairman, have encouraged this dialogue while at the same time recognizing that there is no simple answer.

From its inception, hip-hop has always been one of the most reflective genres in our culture. Perhaps it is an artist's very willingness to color outside of the lines, and to hold up for review and scrutiny the more disturbing elements of the human condition. Their words often reflect what they see and experience first hand in their communities. Rap and hip-hop may be the vehicle by which they escape lives of hopelessness, injustice, and poverty. Their words reflect their lives, which, regrettably, is often an unpleasant picture.

Public Enemy's Chuck D, one of the first rappers to expand beyond his neighborhood to a national audience, observed: "Rap is our CNN."

There has been a great deal of discussion about three particularly incendiary and offensive words. They are euphemistically called the "B, H and N words."

First and foremost, I have to note that the overwhelming majority of the music in the Universal catalog does not contain those words. And I should point out that even if UMG or any of the major record companies decides not to release music because of lyrical content, artists don't need the major record companies to release their music to reach the public. They can work through independent labels and distributors to handle all aspects of promoting and selling their recordings. Indeed, in today's digital world, they can do it themselves with mass distribution to millions of people with the click of a mouse.

Ironically, rap provides one of the best examples of unsigned artists finding a distribution outlet. Rap didn't start at record companies - rap started on street corners. Artists made their own tapes and sold them out of the trunks of their cars long before some label exec convinced his boss to give this new sound a chance. And many hit rap records still start that way today. Ultimately, it's the marketplace that decides whether a recording gains any traction with the public. People buy and listen to what they like - and we have landfills full of CDs they don't like.

Regardless of who the artist is, regardless of his or her message, the artist's words are not my words. I have not lived their lives, I did not grow up in their homes or neighborhoods, and I certainly do not control their emotions or opinions. Much of the music is made by young people - some struggling to find their way. Like many people their age, they are sometimes rebellious and angry - and their words reflect this. Sometimes the words offend. Sometimes they provoke. Often they boast and exaggerate. Other times their words are the most incisive commentaries on the problems plaguing our communities.

As the Chairman of this company, I don't take credit for the observations and expressions made in the songs that we love, nor for songs that contain lyrics that you and I may find offensive. But I do have a compact with every artist that we sign - I will support their art, and the truth that is their music, and their fundamental right to express themselves.

Importantly, that commitment is not absolute. We also have a commitment to the public - whether they are parents, fans or critics. If an artist chooses to use explicit, highly charged words in one of his songs, it will in all likelihood lead to the song being "stickered" with the Parental Advisory Label. We are committed to ensuring that music buyers get a "heads up" when a song or CD contains words or themes that might not be suitable for all audiences. This way, we provide parents the information necessary to make the right choices for their children.

By way of background, UMG operates a variety of different record labels in order to promote different sounds and different approaches to identifying new artists. We don't want one "set of ears" to make every creative decision - whether it is about talent or marketing or anything else. These labels have the direct interaction with their artists and the best insights into who they are and what they are trying to say in their music. Each label within the Universal family actively reviews its releases to see whether they contain words or lyrics that in context require a "heads up" for parents and other consumers.

Many individuals from our labels review an artist's lyrics. These include people from sales, promotion, marketing, A&R, men and women, some are parents; all are conscientious adults from different ethnic and socio-economic backgrounds. They live in the community, live in society, and have been impacted by the Imus episode and discussions like this one in the same way that other Americans have been.

Based on their life experiences, as well as their appreciation for our commitment to the labeling program, our labels may decide to apply the Parental Advisory, and also decide to release it in both the original and edited versions. In almost all such situations we also make alternative "clean" versions of the albums that are available for radio and television. As I prepared for this hearing I was delighted to hear one reviewer say, "getting it right is as important an issue for us as making sure we have all the legal clearances needed to put the record in the stores."

If our labels decide to apply the Parental Advisory, the lyrics are sent up to a corporate lyrics review committee where a different set of reviewers makes another assessment. This committee is comprised of a diverse group outside of the label - from lawyers to mail room employees. The corporate review may lead to another dialogue with the artist - and at times the artist may decide to make certain additional modifications. Our retail and broadcast partners provide us with valuable opinions on how we're doing and we will occasionally suggest that an artist make subsequent alterations to the work based on feedback we receive from them. If an artist will not make those changes, their work won't be released to that partner.

If a decision is made to apply the parental advisory sticker, the labels follow the RIAA's marketing guidelines and our marketing efforts concentrate on ensuring that we don't market or promote the music to young audiences. [Information on the guidelines can be found at <http://riaa.com/parentaladvisory.php#paladvisorylogostandards>.]

I should add that while context is an important element of consideration, consumer expectations of the artist and the current cultural climate are also critical for deciding what should be edited from a stickered work. The decisions that are made regarding the application of a Parental Advisory, edited releases, video content and marketing materials are made thoughtfully and collaboratively. It's a system of checks and balances, responsibility, and respect for parents and artists that everyone in the Universal music family takes very seriously.

This hearing, and the hearings that have taken place in the past, remind the music industry of the importance of the stickering and marketing guidelines. So do the conversations convened by BET and others in the community. For all content creators and distributors, these conversations instill a heightened fidelity to the letter and the spirit of the commitments that we make to fully inform consumers.

Let me conclude with a personal observation. On my last trip to Washington, I drove past the construction site for a new museum - the Newseum. It is just down the street, virtually in the shadow of the Capitol. In my view, the architect has done every American an incredible service - because inscribed on the side of the building, in big and bold letters, are the words of our First Amendment. That façade will stand for years and years as a constant reminder to policymaker and tourist alike of the fundamental freedoms that we enjoy as Americans.

Those words are the essence of what we are discussing today. Americans are free to say what they feel, and think, and believe - be they an artist, a fan, a critic, the parent to whom we have made a commitment, or a policymaker who wants us to think carefully about the work that we do and our impact on society.

Thank you for allowing me to express my views.