

ARTS/ENTERTAINMENT INDUSTRY STORIES

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IS BIGGER BETTER? IN THE ENTERTAINMENT BUSINESS CLEAR CHANNEL IS EVERYWHERE, AND CRITICS SAY THAT IS THE PROBLEM

By Maureen Dezell, Globe Staff

If you caught Alicia Keys's sold-out show last night at the Orpheum Theatre, or snagged tickets to one of the Elton John and Billy Joel concerts at the FleetCenter, or if you're planning to take the kids to see "Blue's Clues" next week at the Wang Theatre, you are a Clear Channel Entertainment consumer. The motor sports fans who pack Providence arenas for next weekend's Thunder Hot Rod extravaganzas are customers of Clear Channel. So are clubgoers at the Avalon Ballroom on Lansdowne Street, avant-punk fans who line up for shows at the Paradise, audiences at Blue Man Group, and anyone who sees a show at the Colonial and Wilbur theaters. Ditto tens of thousands of summertime concertgoers at the Tweeter Center or FleetBoston Pavilion. Those of them who tune in to WXKS AM or FM and WJMN are Clear Channel Radio listeners as well.

Unless they look closely at the fine print on their tickets, few area showgoers have ever heard of Clear Channel Entertainment, a small but powerful division of the \$2-billion Texas-based media, advertising, and entertainment company, Clear Channel Worldwide. Nor do many of the 1.5 million people in Greater Boston who went to Clear Channel shows or halls last year realize that a burgeoning share of the local entertainment dollar wends its way to Clear Channel coffers.

Clear Channel garnered relatively little attention as it evolved during the 1990s from a family owned San Antonio radio chain into an international conglomerate that is now the size of NBC. Today it is the nation's largest radio owner, and a world leader in outdoor advertising. And it is the largest promoter and presenter of live entertainment on the planet; CCE promotes and/or produces 26,000 events a year, drawing 62 million people to its 135 theaters, arenas, and amphitheatres around the globe, the company says.

Two years ago, Clear Channel moved into Boston's live entertainment market in a big way when it acquired SFX for \$4.5 billion. Before becoming part of the Clear Channel empire, SFX had gone on a buying spree of its own in the late 1990s, snapping up many of the most prosperous music- and theater-producing organizations in the country, along with the arenas and theaters they own and operate. SFX got two of Boston's best in 1998, paying \$80 million for music impresario Don Law's concert and promotion company, and \$26 million for American Artists, Jon B. Platt's theatrical producing outfit.

Almost overnight, Clear Channel became the most powerful player on the local entertainment scene. As Bostonians in the arts and entertainment business begin to wake up to that reality, many have wondered - and some have worried - about the ramifications.

Size counts in the entertainment industry, and by this standard alone, Clear Channel is unparalleled. CCE owns and operates the Tweeter Center and FleetBoston Pavilion. It manages the Orpheum Theatre, and books music acts like U2 and Madonna into the FleetCenter, Mission of Burma at the Paradise, and Rufus Wainwright at Avalon Ballroom. It brings music acts and sports shows to the Worcester Centrum, CMGI Field in Foxboro, the Tsongas Arena in Lowell, and the Dunkin' Donuts Center in Providence. It owns the Charles Playhouse, home to hits "Blue Man Group," and "Shear Madness." and leases, books, and operates the Colonial and Wilbur theaters. A Clear Channel subsidiary holds the option to renovate and purchase the Opera House on Washington Street.

In terms of quantity, it's hard to argue that the presence of Clear Channel hasn't brought more entertainment options to the city. Boston's theater district has been lit more consistently in the past two years than at any time in recent memory. And, says FleetCenter president Richard Kreswick, "the [live] music business has never been stronger than in the last two years, and a lot of it has to do with Clear Channel's ability to motivate acts to tour."

Because it is a public company that took on tremendous debt as it grew, Clear Channel "has a huge motivation to get artists on the road as many dates as possible," he says.

But what's good for Clear Channel and the artists they set touring might not be a plus for consumers, says veteran Boston music promoter Dave Werlin. Clear Channel's major obligation is to its shareholders, Werlin observes. "That means it has to fill its venues, and it competes ruthlessly to do that." Fledgling and second-tier talents are suffering from a lack of access to venues, promotion, and radio play. As a vertically integrated corporation, "Clear Channel controls the talent, the means of production, the distribution, booking, venues, and the advertising" of one industry, he points out. Ultimately, he and other doubters argue, the consumer will suffer: paying higher ticket prices and facing fewer choices for their entertainment dollar. Says Werlin: "You can't measure culture quarterly."

Changed landscape

One look at the entertainment news, with its proliferation of multipronged media companies like AOL Time Warner, tells you that the landscape has changed dramatically, and that small and local players are at a severe disadvantage.

"If you're not everywhere, you go nowhere" in American entertainment, consultant Michael J. Wolf writes in "The Entertainment Economy."

Clear Channel is headed everywhere. Last fall, it acquired the Ackerley Group, whose subsidiary, Stoneham-based A.K. Media, owns more than 2,500 outdoor advertising spaces in the area. The company is pioneering ventures in internet music distribution and satellite radio.

And Clear Channel has its eyes on the museum world, too. Last month, the company got into the museum blockbuster business in a big way. It bought BBH Exhibits, one of the world's leading producers of interactive traveling museum shows, such as "Brain: The World Inside Your Head," and "Spacecraft," which just opened at Boston's Museum of Science. CCE chief executive officer Brian Becker predicts Bostonians will be seeing more, bigger, and better Clear Channel museum shows soon.

In Boston and elsewhere, "Clear Channel is pop culture," says Maure Aronson, executive director of World Music and an independent producer.

It's been quite a journey for the company, which was founded in 1972 in San Antonio, Texas, as a family-run radio-station chain owned by entrepreneur Lowry Mays. The Federal Communication Commission's relaxation of radio ownership regulations in 1992 and 1996 allowed Clear Channel to go on a spending spree. It bought up stations and cut deals with corporations at a faster, more furious pace than its competitors did, explains Bishop Cheen, a media and entertainment analyst for Wachovia Securities. In 2000, the same year it acquired radio conglomerate AMFM for \$4 billion, Clear Channel consolidated its control of live entertainment by purchasing SFX for \$4.5 billion. In 1999, the Wall Street Journal ranked Clear Channel's the fifth best performing stock of the 1990s. Its corporate earnings, like those of most media companies, have softened in a fast-deflating advertising market. Even so, Wall Street watchers consider Clear Channel a well-run company, and its stock a "strong buy," according to Cheen.

Global leader

As the owner or operator of one in 10 radio stations in the United States, with interests in another 240 overseas outlets "Clear Channel is the flagship" of the radio industry, says Cheen. A global leader in outdoor advertising, its 700,000 holdings worldwide range from taxi tops in Boston, to bus stop displays in China, to the brightest, most technically enhanced billboards in Times Square.

Clear Channel Worldwide is still run by the Mays family. Radio is its major enterprise. But the combined clout of its radio, outdoor advertising, and entertainment divisions has changed the shape and scope of the live entertainment industry - and some are not happy.

Clear Channel has gotten where it was by selling "synergy" - its unique ability to cross promote on radio, in advertising, and in theaters and arenas, reaching a vast and varied demographic. Because of its

incredible nationwide network of venues, radio stations, and outdoor advertising, Clear Channel can offer artists or theater producers "one-stop shopping"; they no longer have to worry about leasing performance space, buying local advertising, and lining up radio promotion and corporate sponsorships in each market. Clear Channel takes care of that. Music acts are delighted with the "support" they receive on a Clear Channel tour, says Paul Geary, who manages the heavy metal band Godsmack. Clear Channel clients receive simultaneous exposure as sponsors of tours and productions; in billboards or programs at Clear Channel playhouses; on Clear Channel radio; and in company-owned billboard, mass transit, and taxi-top displays.

But Clear Channel's key selling point represents "a clear conflict of interest" between the company's radio and television divisions, as far as Jesse Morreale, co-owner of Nobody in Particular Presents, the Denver promotion company that is suing the conglomerate, is concerned. His company's suit argues that Clear Channel is locking competing presenters out of the local markets by reaching into its very deep pockets to cut touring costs, paying talent at a rate that others can't afford, and booking acts' entire national tours. It charges that the company is using its radio stations to promote its own concert acts, at the expense of others, with "monopolistic and predatory practices."

Morreale maintains that his suit has national implications; that Clear Channel is doing in Denver what it intends to do elsewhere, "and that will affect what music people hear and the kind of information they get on a nationwide scale."

Clear Channel sought, without success, to have the case thrown out of court. In a motion to dismiss, the attorneys argued that "the plaintiff's real complaint is not that Clear Channel competes illegally, but too effectively." The precis effectively sums up Clear Channel's mantra. As Becker puts it, "There's certainly no shame in it if we're able to beat out competitors because we're doing a better job."

At this point, Clear Channel is nowhere near as prominent or powerful a presence in the Boston area as it is in cities such as Denver.

Its local radio holdings consist of WXKS-AM and -FM, WKOX-AM and WJMN-FM - a much smaller share of the radio market than in Los Angeles (where it owns 11 radio stations), New York (six), Chicago (six), and San Francisco (11).

Some producers, like John Peters of Mass Concerts, maintain that the Boston-area music business hasn't changed all that much in the past five years, and "the same people answer the phones" at Clear Channel's local music division, where Don Law continues to run the show. Law tends to agree. "They're entrepreneurs," he says of the Mays family, Clear Channel's founders and chief executives. They're interested in starting and building companies, not interfering. Werlin disagrees - adamantly. "Instead of developing new talent that will keep people coming out to hear new music and see new plays, they are charging \$250 to see Madonna, and \$200 to see U2," he says.

"People are going out less. This is seriously crippling the ability [of producers] to develop new headliners. The arts are suffering from a lack of ability to attract new patrons. The main difference Clear Channel as an organization has made," says Peters, "is that ticket prices are higher."

Werlin and other promoters say that access to the Orpheum Theatre, for one, is more limited now than it was before Clear Channel came to town - because the company is not only a landlord, but a competing promoter. (Don Law insists that this is not the case.) Service and ticket charges have risen as well, Werlin charges. "So my customer ends up paying \$36 or \$37 for a \$31 ticket."

But WBCN's Oedipus attributes the prevalence of \$100-\$200 tickets to "the overall cost of big-time entertainment" and greedy musicians.

"The bands ask for huge grosses. Look at what U2 charged for tickets" on its last tour. "They made \$100 million touring. Bands demand that kind of money. And they've been getting it since the Eagles tour was the first to charge \$100 for a premium ticket."

"It isn't Don Law who set that price," he adds. "It was Don Henley."

But it isn't only ticket prices that have gone up stupendously - though they have risen 73 percent nationwide since 1995, according to the trade magazine Pollstar. The cost of going to a live event is sending consumers

into ticket shock as well.

Clear Channel adds a facilities management or restoration fee to each ticket; at the Colonial and Wilbur, the surcharge is \$2; it was \$5.50 per ticket last summer at the Tweeter Center. The company also levies a 3 percent handling fee on credit-card purchases - that is above and beyond Ticketmaster charges. Clear Channel officials maintain their fees are no higher than those of any other producer. Kreswick of the FleetCenter politely disagrees.

Showgoers also shell out jaw-dropping sums to park their cars at concert venues (at the Tweeter Center, the parking charge is levied per person, not by the car); and for refreshments at concession stands where a medium-size soda costs approximately what one might expect to pay for a martini at the Ritz bar. "The concert business was probably the last entertainment entity that wasn't controlled by large corporations," says Gary Bongiovanni, editor of Pollstar. "It's probably naive to think that wasn't going to change."

It's a shift that theater producers have been forced to get used to. "Corporate producers like Disney and Clear Channel have changed the [commercial theater] landscape in New York in that the level of resources they'll commit to shows is so much higher," says local theater producer Nick Paleologos. "So for a musical you'd spend \$7 million on before, you now have to spend \$10 million to cover things like full-page ads, and TV advertising. In that sense they've made life more difficult for independent producers.

"But you don't find the corporate presence developing new product and competing that way. New work comes from independent producers, or off-Broadway, which is the liveliest and most exciting it's ever been these days. "

For all the strengths it brings to mounting a concert spectacle or road tour - cost efficiencies; vertical integration; the ability to cross promote - Clear Channel Entertainment is in the business of presenting and promoting talent, say industry observers. It can buy the best available. But it doesn't have the knowledge or experience to recognize and nurture the raw talent that evolves into the main attraction in a musical act or show.

"The wise people in this business will tell you that you have to have a way of assuring the next generation of creative talent," says consultant Larry Moulter, Kreswick's predecessor at the FleetCenter. "You've got to have a farm team. Clear Channel isn't in that business." **SIDEBAR: CLEAR CHANNEL WORLDWIDE: PLEASE REFER TO MICROFILM FOR CHART DATA.**

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HEADLINE: FOR TOURING SHOWS, RULES OF THE ROAD CHANGING

BYLINE: By Maureen Dezell, Globe Staff

BODY:

By most accounts, the production of "The Music Man" that opens Thursday at the Colonial Theatre looks, sounds, and feels like a bona fide Broadway musical. Based on Susan Stroman's celebrated 2000 Broadway revival, the show is a 36-actor, 21-musician rendering of Meredith Willson's beloved tale of big dreams in a small town. The story of how huckster

Harold Hill changes and is changed in River City features such familiar songs as "Till There Was You" and "76 Trombones."

The show's national tour, which has been on the road since October 2001, is the springtime headliner in a 2002-03 Broadway in Boston season lineup that includes "Medea," "Mamma Mia!," and "The Producers." But unlike those certified hits - and the vast majority of plays and musicals that load in and out of Boston's Theater District each season - this version of the all-American Broadway musical has never basked in the glow of the Great White Way.

That's because "The Music Man" is a non-Equity production. None of its actors are members of the Broadway actors union; like most non-Equity actors, they tend to be young or semiprofessional performers. Nor do the players in the orchestra belong to the American Federation of Musicians.

In the words of another famed "Music Man" song, that spells trouble with a capital "T" - certainly according to the Actors' Equity Association and its supporters.

"Consumers are getting [cheated]," charges Flora Stamatiades, director of organizing for the national union. Producers pay nonunion actors less than half the industry standard, says Stamatiades. The union has sought to make these points clear to theatergoers through public protests around the country.

The AFL-CIO and Actors' Equity announced a boycott when the show first hit the road, in Des Moines. Since then, actors union representatives have organized small public protests, garnering media attention at most stops.

The only problem: the protests haven't dissuaded many ticket buyers from seeing the show.

In Boston, the union won't raise a public fuss. But union representatives say productions like this "Music Man" take work away from their members and give theater lovers less than they deserve for the price of their tickets.

According to the show's presenters, however, ticket prices are lower than usual because the show isn't an Equity production.

"This is a reproduction by a terrific organization of a successful New York production that's gotten terrific notice," says Tony McLean, president of Broadway in Boston.

For both sides, the stakes are high.

Tours of Broadway shows across North America account for more than half the industry's total ticket receipts, according to the League of American Theatres and Producers.

And battles over the cost of union labor reached Broadway this season, when a strike by musicians and supported by other theater workers briefly shut down New York's major stage musicals. Producers and union representatives disagreed over the minimum number of players required in a Broadway orchestra pit. In fact, non-Equity shows have made stops at downtown Boston theaters for a long time, points out Wang Center for the Performing Arts president Josiah Spaulding, citing recent runs of "Cats" and the 2000 "Annie."

"I've gotten good reviews for non-Equity shows and bad reviews for Equity shows," he says.

But in the past, a road show would come first in a union tour and return in a non-Equity version. For example, "Miss Saigon," scheduled for next season at the Wang, is coming in a "newly conceived" nonunion version, but it played Boston earlier in a union tour.

Produced by a company called Big League Theatricals, "The Music Man" is the first successful national non-Equity tour of a recent Broadway hit to play multiple nights in top-tier theater towns such as Chicago, Los Angeles, Seattle, and now Boston.

The minimum weekly salary for actors in the show is between \$400 and \$450 a week, according to union figures and information provided by Big League executive director Dan Sher.

If housing, travel, a percentage of health-insurance coverage, and bonuses are added in, the "carrying costs" of a nonunion actor are approximately \$1,000 per week, says Sher.

An Equity actor in a comparable role costs his or her producer nearly \$3,000 per week: \$1,302 in salary, plus health benefits and per diem payments, among other add-ons, according to Sher and the actors union. With nonunion pay scales, "producers are saving 66 percent on actor costs, and those savings are not reflected by theater presenters' ticket prices," says Stamatiades. "They are not that different. That isn't fair to the consumer, or to actors who are doing the same level of work for eight shows."

To Broadway in Boston president Tony McLean, pragmatism is the guiding principle. It's become prohibitively expensive to replicate a large-scale Broadway musical that was not a blockbuster, he says, in large part because labor costs have escalated so dramatically since the early 1990s.

"There are a whole lot of people in River City," says McLean, referring to the "Music Man" cast.

According to McLean, presenting a nonunion "Music Man" helps keep ticket costs down. While Broadway

tickets to the show ran \$90 apiece and up, an orchestra seat at the Colonial will be \$72 for Saturday nights, \$65 for weekday evenings and matinees.

To see "The Music Man" will cost less than to see another Broadway in Boston show - the Equity "Mamma Mia!," which closed yesterday at the Colonial. Orchestra seats for that musical are \$87. And for "The Producers," coming later this spring, they'll be \$97.

Breaking the rules

With road productions continuing to generate huge sums, the struggle over who performs in them is likely to get even more entrenched.

For one thing, producers such as Big League are moving into the big leagues with their shows.

The old rules of the road held that a city like Boston hosted a national tour that was a near-replica of the Broadway production and usually featured a star. A second-city tour of towns such as Providence, Cincinnati, or Buffalo might boast a smaller cast and scaled-down set, but it was still typically an Equity show.

Non-Equity producers like Big League got their start doing "bus and truck tours" of one-night stops in small towns such as Edmond, Oklahoma, and Tyler, Texas, says Sher. "Gradually, the shows got better and more sophisticated, and eventually a lot of presenters felt that what we did was not better but good enough to play in big cities."

Equity executive director Alan Eisenberg told his membership last year that nearly half of the road bookings across the country were nonunion productions.

Producers and promoters of road shows say that's because Equity has trained its attention on New York theater and paid little heed to working rules and conditions on the road.

When it tried, with "The Music Man" as a test case, the results didn't go as the union had hoped.

Having failed to persuade audiences to stay away when the show played in Cleveland, Chicago, and Seattle, Equity abandoned its demonstrations and attempted to organize the cast instead, according to Stamatiades. But the cast voted, 28-8, against Equity last fall. "The vote was devastating," acknowledges Stamatiades, adding that the union questioned the fairness and legality of some of Big League's tactics in discouraging unionization.

It wasn't that that the cast members are antiunion, says Pam Feicht, who plays Mrs. Paroo, Marian the Librarian's mother, in "The Music Man." "All of us eventually plan to be in the union. Nonunion touring is a stepping stone for actors, a way to cut their teeth."

At the start of the tour, "the union's tactic was to denigrate the actors to try to build support for [an Equity] boycott," Feicht says. "They called us part-time actors and nonprofessionals and said this [show] was not of Broadway quality because none of us had ever been on Broadway. Well, there are a lot of Equity actors who've never been on Broadway." When the union began to try to organize the cast, "suddenly they saw us as talented enough to be in their union. I felt manipulated."

For their part, producers are negotiating special contracts with Equity that allow "concessions" on certain tours.

Dodger Theatricals and Equity negotiated a deal for the tour of "42nd Street" that played the Wang Theatre last winter. The arrangement included a pool that let actors share in box-office "overages" if the show had a good week on the road. Yet such negotiations are protracted and often break down.

Broadway in Boston's McLean says he decides whether to present a show not on the details of its employment agreement, but on its overall quality.

He's less concerned about Equity's union seal of approval, he says, than the endorsement of theatergoers.

"If it's good, the public will buy it," he says. "If it's not good, they won't."

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GRAPHIC: PHOTO, A non-Equity production of "The Music Man" (above) opens Thursday at the Colonial Theatre.

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HEADLINE: THE MFA TODAY . . . AND YESTERDAY

BYLINE: By Maureen Dezell, Globe Staff

BODY:

"Do I look like Disney?" Museum of Fine Arts director Malcolm Rogers asks. It is a rhetorical question, of course, posed by a man whose personal taste veers very much toward the 18th century, and whose Oxbridge affect might make any number of average Americans wonder if he sleeps in a suit.

Rogers is a controversial figure. His reorganization of the MFA a year ago is routinely referred to in museum circles as "the Boston massacre." But he raised a ruckus before that by reinstalling portions of the museum's collections, and bringing in two high-profile pop art exhibitions: "Herb Ritts: Work," and "Wallace & Gromit." It is largely on the basis of those shows that the local visual arts establishment declared him a museum-world Barnum. Academics in particular are convinced that Rogers would happily annex the Gund Gallery to the dark forces of Disney and turn curators into "tour guides in a theme park," as one scholar told The New York Times.

What Rogers's critics seem to have lost sight of is that the Ritts and animation exhibits are 2 out of some 75 shows the MFA has mounted in his five years as director. Reinstallations are controversial at all museums. And blockbusters can be commercially and critically successful, as were Monet, Sargent, and Pharaohs of the Sun at the MFA.

In the hue and cry that arose in the wake of the "Boston massacre," there was an implication that the MFA before Rogers arrived was something of a safe haven for art lovers and scholars.

In fact, it was a place replete with locked doors, dimly lit galleries, indifferent visitor services, and a splendid collection that was barely explained. That was partly because the museum assumed that most visitors were familiar with what they displayed, but also because the MFA was broke. So broke that they couldn't afford to keep the Huntington Avenue doors open and so, literally and figuratively, shut itself off from Roxbury and Mission Hill, Boston's largest communities of color.

The MFA's fortunes for many years mirrored the rise, retreat, and stasis of Boston Brahmin society. Boston, as Russell B. Adams points out in "The Boston Money Tree," was the first American city to make large amounts of money and the first "to grow preoccupied with conserving it." Proper Bostonians supported certain sorts of culture, and built a "wall of fashionable churches, clubs, and other institutions as a barrier against invaders."

The social and aesthetic conservatism of proper Bostonians affects the cultural climate to this day.

When MFA founders moved the institution from Copley Square to the Fenway in the late 19th century, they rejected the city's offer of municipal funding because it came with a caveat that they had to allow the public - immigrant Irish, Jews, and Italians - through their clubhouse doors.

The second-largest art museum in the United States, the MFA has no 20th-century art collection to speak of because Brahmin society disliked anything more modern than Impressionism.

Because Boston's arts organizations functioned as clubs, they remained closed to new blood - and money - until they were in decline. It wasn't until the 1960s that the Yankee-dominated board at the MFA invited a few newly monied Jews and Catholics into their white Anglo-Saxon Protestant enclave.

The MFA ran deficits continually before Rogers arrived. Working there in the 1980s was frustrating, recalls Nancy Netzer, a former curator of European sculpture and decorative art, who is now head of the McMullen Museum of Art at Boston College.

The MFA "never had enough money to do anything. You couldn't realize any dreams - the funds were so limited and so restricted. There was very little work done on the permanent collection, because the focus was what was on bringing money through the doors."

Those were the good old days?