

Center for Strategic and International Studies

TRANSCRIPT
The Reopening

Mega-Producer Peter Shapiro on the Future of Live Music

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Andrew Schwartz: You're listening to The Reopening. The podcast that asks, "How will America work through the COVID-19 pandemic? How will we innovate, and how will it change our global economy?" Each week we invite top business leaders to share their insights on the road to economic revival here at home, and around the world.

Scott Miller: Today our guest is legendary music producer, Peter Shapiro. Among other pursuits, Peter is the owner of the Brooklyn Bowl, publisher of *Relics* magazine, and chairman of the nonprofit *Headcount*. We talk with Peter about the unique challenges faced by live music performance, the future of streaming technology, and the creative power of music.

Andrew Schwartz: I'm Andrew Schwartz.

Scott Miller: And I'm Scott Miller.

Andrew Schwartz: And this is The Reopening.

Andrew Schwartz: Peter Shapiro, thank you so much for joining us today. Peter, you've been someone who has preserved, protected, even really advanced an entire genres of music: jam bands, roots music, rock-and-roll, as we know it today. And it's – this music is now facing an existential threat maybe like it never has been before. I mean, we had the advent of file-sharing, which really put a dent in the music business, but now we have something that we've never encountered before. We have live music as we know it, is in danger, and with Covid, the National Independent Venue Association says that if the shutdown continues, independent venues are going to be, 90 percent of them, are going to close down this fall or are in danger of closing. Where do you think we are now, and what do you think needs to happen for live music in North America and really in the world as we know it, to continue?

Peter Shapiro: Well, wow. I mean the tough thing is no one knows. And I've done a bunch of interviews, so what's going to happen, and none of us know. Which makes it hard. So, my team we adjust almost on a daily basis, pretty much on our plan. You know, we were able to have a new venue of Brooklyn Bowl in Nashville, it was supposed to open March 13th, but – so we didn't make it, we just missed it by a few days. But then we did reopen several weeks over, just bowling, and music, and food, and some music playing only, no shows. And it was actually working, we were up to three weeks. We were masks-requiring. You know if you do it the right way, I think more is doable. We've just seen so much of people not doing it the right way, in terms of performance and the concerts that have been happening. You see the images on the news or Druge and online TMZ of Chase Rice with people in the audience no masks, and that stuff held us back. We had to reclose up Nashville and we don't know. I do think – I'm hopeful that we need another PPP, the people need another - the venues need another one. There's a couple of bills, the Save Our Stages bill, and then there's restart, these are more deep support than just the PPP, which would just be a couple months. I'll just take that to be honest. So there's a lot of effort like you mentioned Andrew, from NIVA, you know organizations, and there's also Neato, which is about the talent, the behind

the scenes, the talent agents – the agents, the managers, they're all in - they all have clients who have no revenue. So they're not getting – it's just hitting everybody. And as a venue owner, we're just trying to be creative right now like making new merch and we came up something at the Capitol Theater to have tiles under the marquee we needed a new ground anyway, so you could put your name and your favorite show and it'll go down and be there forever.

Andrew Schwartz: So you can be permanently part of the Capitol Theater in Portchester, New York.

Peter Shapiro: Yeah you can find out if anyone wants on the website. But we've had hundreds of people buy, like I did Pete Shapiro; my favorite was when we reopened on September 4th, 2012 Bob Dylan's. So it says 12-4-12 Bob Dylan with my name. And that's it. So you have to be like, we're doing obviously the streaming stuff. And we've done things, opportunities that we would not have otherwise. We're doing it through something called fans, and we've hosted a lot of big streams, and the numbers are way up obviously. And now people are starting to be open to buy tickets. But that's us. We've got our venues wired up, which was smart. If you are a little guy or gal with a venue, that's 200 cap, maybe 300 capacity. Whether it was in Des Moines or Gainesville or DC or Portland, either Maine or Oregon, like if you're 250, 300 without streaming set up already, it's going to be hard to like install that now. So everyone you hear about – it's going to favor, what's unfortunate about this, the bigger, the stronger will almost just get stronger. And weaker I don't know what's going to happen. You know, stronger only on the other side – if you can survive and cross the water.

Scott Miller: We've seen that in almost every industry, Peter, is that the companies and the firms and the associations that are doing well are the ones that had enough liquidity and good enough branding to ride through it. And they also had a plan on the other side. They weren't just muddling through. If you're trying to muddle through, you're probably not going to make it. But you, you have a very strong brand. And you have four Brooklyn Bowls and so, are you seeing different things in New York versus London versus Vegas?

Peter Shapiro: Yeah well Nashville is the new one. I would say you know that one we were ahead of where New York and even Vegas – and here's one tricky one. If you're big, like the one in Vegas, the 2500 capacity, we cannot even open as a restaurant. It's just – the venue's too big. That's why these venues are in more danger than even restaurants, who are also in danger, is the music venue can't even do what a lot of the restaurants are doing with the outdoor dining. We can't – we don't have outdoor space. We're not built to do that, 25 percent capacity food only. I mean, some of the Brooklyn Bowls maybe could because we have food, but that's why you know the music venues are particularly hurt. Because they're just at zero. They can't even do 20 percent. It's zero.

Andrew Schwartz: You mentioned the Save Our Stages Act. This is, you know, a bill in Congress that was, it's bipartisan supported by Amy Klobuchar of Minnesota and John

Cornyn Republican of Texas. This aims to provide six months of relief at the beginning for venue owners.

Peter Shapiro: Well that would be huge.

Andrew Schwartz: Tell me why that would be huge.

Peter Shapiro: Just because you just said six months. PPP was two months. If you're rent and payroll and so, they're talking about another PPP, hopefully you know was in the Republicans, you know Democrats came with a three trillion-dollar proposal, Republicans were one billion. But I believe for that, Marco Rubio is head of the small business committee, and they recommended this PPP be part of that trillion I think. Second PPP, but you would have to have lost more than 50 percent of your revenue, comparing second quarter '20 to second quarter '19. So we kick out a lot of what we saw with PPP, so like law firms getting it, and construction companies, and then they were working a lot. So, my understanding is it be would really available to businesses that have really been knocked down.

Andrew Schwartz: Yeah to put this into perspective, live music is maybe hurt worse than anybody. I mean Live Nation, the concert promoter, had in Q2 this year 24 concerts. Q2 last year had 7,200 concerts. For them revenue is down 98 percent.

Peter Shapiro: Yeah, those are some powerful numbers.

Scott Miller: When PPP was enacted, two months sounded like a long time. Well, we've been closed at CSIS, for this is the 22nd week, which you know we're going to be at six months here before you know it. So, it makes sense to try to supplement that. I think a lot of small businesses were helped by it. You're right, not everybody who got the money needed the money or were the right people. But hopefully we learn this time.

Peter Shapiro: Musicians, they're getting the jones five months in. But it's not about to happen. So we're all going to have to like – because this whole thing's happened during good weather for 80 percent of the country. 20 percent of the country always has good weather: Florida, southern California, Arizona. But, a lot of the country, as you get into November, December, January, February, you know, you're not going to be eating at the outdoor restaurants. And yeah, you can be under a heater. That works like at one of the venues like mine, if you want to go outside, have a cigarette. You stand under the heater. But I'm not sure either what happens when it really gets cold. So that'll be I think a lot of people are going to batten down the hatches more, especially in certain parts of the country where they're more serious about the masks, the procedures. So it's confusing. We haven't been through a winter yet. This all started in mid-March. That's going to happen. So, that's why I'm not that bullish that concerts come this year, unfortunately. Because you're - we're going to be in October soon. November. And no one's gonna, "Okay, Covid's handle-able, let's go to shows" in December and January.

Andrew Schwartz: One of the things I keep hearing you know Peter, is that venues were the first to close, and they're going to be the last to reopen. And that bothers me because we are all jonesing to go see a show. And to have that experience, that communal experience around music.

Peter Shapiro: Here's the only good thing – I'm going to focus on the positive. We are screwed right now. If we can make it across that river that we all talked about, I do think, one reason there'll be a big – and no one knows how long the length of the pop will be. You know, is it just a few months, where people are – or is it permanent where people say, I want to go see more shows now. Because I didn't realize how much I loved it until it was gone. And so I think there's a real chance, and the bands are going to want to play.

Andrew Schwartz: Oh, yeah.

Peter Shapiro: Cause they lost all the money, you know. So, I think mid to end of 21, 22 should be really big for our businesses. We just need to get there. And I think they're right, that's a year away. Well maybe it comes I think spring, that's far. So, we're going to need help. And the ones who don't get help, some of them aren't going to be back.

Andrew Schwartz: One of the things I wanted to ask you about is, you know, the music business has always been – you know it's about creativity. Musicians are about creativity. And we're seeing the beginning of some of that. So just to use an example you know my guys down in New Orleans is Tipitina's. So, Galactic: the band Galactic owns Tipitina's and I take a lot of special pride in that because Rob Mercurio is from Bethesda, Maryland where I'm from, and I was one of the guys that gave him some of the first – his first meters bootleg tapes.

Peter Shapiro: Really. He's a great guy, great player too.

Andrew Schwartz: Great guy, great player. He went to Tulane with my younger sister.

Peter Shapiro: I love the way he plays bass. He's so cool.

Andrew Schwartz: So cool, so cool. And his band used to be called when he was at Tulane, of course, Galactic Prophylactic, now then they shorten it to Galactic and they're world famous now. And they bought Tipitina's to save Tipitina's. Now they've got the double whammy of they can't tour, and they can't bring shows into Tipitina's so they're really taking it from both ends. Well, last week Tipitina's announced they're going to have Tipitina's TV, and they're going to stream five shows.

Peter Shapiro: It actually shows just how we're on it. They're doing Galactic.

Andrew Schwartz: Yeah.

Peter Shapiro: They're doing Rebirth brass band.

Andrew Schwartz: Yeah.

Peter Shapiro: I know they're doing Anders Osborne.

Andrew Schwartz: Yeah.

Peter Shapiro: And they're doing Tank in the Bangas.

Andrew Schwartz: Yeah.

Peter Shapiro: That's pretty good. I just passed the test.

Andrew Schwartz: And the Radiators.

Peter Shapiro: Aw rats. I should have gotten – I did four out of five. I would have gotten that, shoot!

Andrew Schwartz: Hey you got a lot of bands calling you, you deserve a break. Four out of five's not bad.

Peter Shapiro: I know I read that, and I forgot there was a fifth. If you had said that I think I would have gotten there but you know, listen you got to be paying attention. That's how I know that I'm watching stuff, seeing what everyone is doing. Cause that's often how ideas come out and we've been doing similar stuff, I'm excited to see them doing this. I hope it works.

Andrew Schwartz: I hope so too.

Peter Shapiro: It's gonna be better than zero.

Scott Miller: Look you guys are describing something that sounds like, well the Disney theme parks are closed but there's the Disney plus streaming. Which is a clear adaptation, but it sounds like that adaptation happening in the music business. What's happened with streaming, and what's the future after concerts start again?

Peter Shapiro: I mean it's up significantly, obviously, and I believe it will remain up after it comes back, the music. Because people are just socialized to, you know, we just talked about the quality, the phones and the computers, that has impacted the streaming of live video, you know. Audio was earlier and easier, video I remember four years ago you'd be watching it would be buffering.

Scott Miller: Sure.

Peter Shapiro: And you don't see that buffer anymore. You can watch it on your iPhone or your Samsung, especially the big ones you put it on the speakerphone. You can have Bluetooth now. And what a lot of people have been doing for these streams is setting up their Sonos by the pool, by the lake, in the living room, and turning it up. And then sometimes I see these photos when we ran the

Fare The Well Dead 50 show, or we did something around Lockn'. Or we did Jason Isbell live from Brooklyn Bowl Nashville in an empty venue. There's people watching who built these plasmas outside, you know by your outdoor kitchen, or projectors by the woods – there's a lot of creative ways that people have been doing to watch the streams. And I think that experience of getting to watch it with amazing sound, full sound system. So people are enjoying more, they're watching, trying it. I don't think it'll fade. I hope actually that doesn't hurt our ability to sell tickets. We've actually at the Lockn' Festival I have, we've streamed it every year for free. We worry now wait a minute, if everyone knows we're just streaming the whole thing for free.

Andrew Schwartz: Are they going to show up?

Peter Shapiro: Especially when it's in the Central Virginia, three hours closest city is D.C., three hours. It takes effort to go to Lockn', if you can just go in your backyard and pull out a screen with the projector and sound and beers, and your lady, you know whatever, your friends. That's happened in the last couple of years and I think it'll continue.

Andrew Schwartz: I can tell you one thing, I want to go to Lockn' more than ever now.

Scott Miller: Yeah, I think it's gotta create more experiences through the stream that people want to experience in person. So, I think you're building a business that way.

Peter Shapiro: We've been doing that. We've come up with clever ways on fans.com, which is my streaming – where we put our Brooklyn Bowl, our Capitol Theater, our relics, Lockn', the stuff I'm involved in, we put them there. And, we can take people from home, to go to Fans to get on like a zoom. And we'll watch some people get dressed up in costumes, some are dancing. Some write out song requests, then you put it up on your zoom; let's say I wrote something that said, "Play Stairway to Heaven." And then check this out: on the mainstream, we layer in people from home.

Andrew Schwartz: It's the coolest thing. I was going to ask you about this Peter. I've said it, you know my friend David Unger tipped me off to it. And it is the coolest thing because it really makes you feel even when you're at home, like you're part of it. Because you can opt in, you can say I want to be on cam. I'm watching the show, I've opted in, so you can put me into the mix. And it makes you feel like you're there and you're interacting with others who are there.

Peter Shapiro: Thanks Andrew, it's great to hear you say that because we've tried like come up with a way to do it a little differently. Because everyone's got these gorgeous streams. And I was smart, we recorded all our shows that we did at the Cap and the Bowls and Lockn', so we have tons of footage that has helped us survive this moment, is doing some of the streams we already had, but with huge audiences in the stream. Because I think people are getting, or have gotten exhausted or tired by just seeing someone alone in their living room. We've been trying now to move into live in the venue; we had done

the recordings that we already had. And there's no question to be in the stream, you know that's how I wanted to kind of break that plane. We were actually in the stream, dancing. And then it's so cool to see the creativity of people, and their faces when they know they're a part of it. And what we did that was cool with Jason Isbell stream in Nashville is at the end of the lanes or the screen, and that's really about visual, my background as a filmmaker, I wanted to do that. So, when we did Isbell, he's playing on the stage, we're streaming it, and then we had a shot of those screens at the end of the bowling lanes with the people from home. And between songs he could look and see them. And someone raised a sign and said hello from Orlando. Right, you can't hear them, we don't turn the audio on, it would be a clattering of disaster. But the video, and he's onstage pointing at the guy saying "Hey, Orlando, I see you. How are you, I love Orlando." And you can see the guy's reaction, he's sitting alone in his living room live. "Hi Jason, Orlando" and the guy, he's watching, there's a hundred thousand people watching. And how cool is that. Isbell's like, "I see you, hey Orlando. Love Orlando" Then he went to the next song.

Scott Miller: Amazing.

Peter Shapiro: Cool. Yeah, so we got to try to be creative like that.

Andrew Schwartz: Yeah so I was gonna ask you to Peter, I mean, you must be feeling a lot of pressure. I mean, you're the guy who did the undoable. You got the Grateful Dead back together. So everybody thinks that you can do anything. And so, everybody thinks you can do everything and anything, and everybody's looking to you to say, okay we're facing this unbelievable crisis here, what the heck do we do. Do you feel this pressure every day you get up?

Peter Shapiro: Back to our first question. Yeah, I do. You know, people are coming to me for answers, and I wish I knew. I don't. I just know we got – it's not gonna be tomorrow. And we're prepping on our side just to be – that it will go past spring, for smaller I think arena stadiums, that's going to be a year, probably. But there'll be some stuff before that. And again, we've come up with some plans and ideas for how to be really smart about it and you can do it. You know, if you look back at the protests, really simply everyone was wearing a mask and those were not super spread around. So if you're smart about your behavior and we're smart about how we put it on, and how we set it up, how we organize where you watch the show, how we organize where you sleep, how we organize how you enter, maybe we don't allow in and outs, it's just the in, and you gotta camp and bring your sleeping bag or your RV or your tent. Those are the kind of things that are real. And we're actually working with Health and Human Services, they have some HHS, the government agency, and they have music fans there who want to see us pull off Lockn', because we were developing all these best practices and they love to see that in operation. Because they want to show that it can be done in a smart way.

Andrew Schwartz: Do you see other partnerships like that, with major hospitals or things like that to perhaps get festivals off the ground? I mean, the good news is that

before Covid, the concert industry was on track to have a banner year. Tours were up 11 percent.

Peter Shapiro: Things were rolling. And that's a great lesson we'll all have for the rest of our lives, which is, don't get too excited when things are good. Because things change like that, and in lots of ways they can just change in an instant. And this is one of them. What do you call it, known unknowns?

Scott Miller: Yeah, that is exactly right. Well listening to you Peter, I'm encouraged because you're showing the kind of creativity that your industry has been famous for and you're applying it in this situation. You know, early, early days, somebody reminded me that Sir Isaac Newton got a semester off at Oxford because of the plague. And during that period of time he invented calculus. So, you know, there are contributions to be made and we're glad to have people like you who are still thinking about it, still inventing and finding ways to deliver your product that are – you didn't imagine it. Yeah, so that's great.

Peter Shapiro: Thank you brother, I appreciate that. By the way, you gotta talk it through. We are like, here what are your thoughts, and keep your eye out on what's going on.

Andrew Schwartz: What are you hearing from the artists, mostly, cause the thing I'm seeing is a lot of them doing Facebook concerts from their living rooms, and more sophisticated things from their home studios. You know, some of them are putting out tip jars. Some of them are doing benefit type things. What are you hearing from the cross section of artists that you work with?

Peter Shapiro: You know, they just can't wait to get back too, you know. But it's been interesting. They're not rushing it. Yeah maybe because they're thoughtful people and they're respectful. We're not getting people pounding on the door saying we want to play, we want to play now, we want to play. I think the scene that I really operate in and Andrew referred to it, the broader jam, improvisational blues rock, which covers a lot of stuff. Those musicians, eh, it's very collaborative music, you can't really go up alone, right. The Neville Brothers Andrew was talking about, or the Meters, that was definitely not alone music, it wasn't like Tori Amos, alone on Indiana. So that probably changes the dynamic. If someone can get up solo, it's easier. When we did Isbell in Nashville, it was just Jason and his wife Amanda. He has a full band, but he didn't bring them. He did two people. And I think you are going to see more out of venues. I think you'll see more artists, you know, wanting to play these virtual ticketed shows. That's growing. I think you've seen it set in with the artists that this is going to be a long haul. Already has been, there's going to be more. So maybe they start to open up. But I've been a bit surprised so far. You know, and it's interesting. We see a much more Nashville interest from musicians wanting to play to an empty audience with a stream for your pay. Less so, in New York actually and Vegas. Maybe because New York, they're so careful they've been, they've been doing really well. But, it's interesting, it's different everywhere. And how about all the rules are different everywhere, right, that's pretty cray.

Andrew Schwartz: Just to keep track of that, alone.

Peter Shapiro: Yeah, but you know, we just gotta make it to the other side you know. Otherwise, otherwise we won't make it. But I'm still swimming, I'm not tired – I mean I'm tired, but I'm not done swimming.

Scott Miller: That's good news. That is good news.

Peter Shapiro: And it ended up being, I thought it might be a lake, or a river, to get across. It's definitely turned out to be an ocean.

Andrew Schwartz: Pack your stand-up paddle boards and strap in, it's gonna be a little while right.

Peter Shapiro: Yeah but we're gonna get there.

Andrew Schwartz: This is great news. Peter, can't thank you enough.

Peter Shapiro: Thanks guys.

Scott Miller: Thanks so much.

Andrew Schwartz: Thanks for listening to The Reopening. If you liked this episode, please write us a review and subscribe wherever you find your podcasts. You can also find other podcasts from the Center for Strategic and International Studies at csis.org/podcasts.