THE POLICY SCIENCES CENTER, INC.

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December 9, 2010

Mr. Muhtar Kent, Chair - Corporate Fund Board Kennedy Center for the Performing Arts c/o Coca-Cola Company, Office of the CEO P. O. Box 1734
Atlanta, GA 30301
and
Mr. Michael M. Kaiser, President
Kennedy Center for the Performing Arts 2700 F. St., NW
Washington, DC 20566

Dear Mr. Kent and Mr. Kaiser:

I write to ask if the Kennedy Center, and its Corporate Fund Board, would be willing to provide leadership for a bold project, using new communication technologies, to support the arts on a global scale? The project would underwrite a Cultural Affairs Channel (and Website) to bring a core of high quality programming, from each nation, to global audiences without charge. It would be supported by donations (hopefully, up to 1% of funds currently used for international advertising) by leading corporations.

The project also will help, at a complicated and changing time in world politics, to build a future that binds us together and conveys respect to the creative and performing arts in all cultures.

As the project grows it can provide funds for arts education and - one of the exciting dimensions - stimulate the creative process and the (for-profit) growth of this important sector, linking new artists and new audiences.

My foundation is a small thinktank - and we are dreaming beyond our institutional capacities. However I think that you may know people, represented on the Kennedy Center Corporate Fund Board, who know how to bring it to life quickly.

I also write against the background of knowing your leadership (Mr. Kent) in the CSIS Smart Global Health Commission vision and your leadership (Mr. Kaiser) in the Kennedy Center Arts Management Institute to support the creative and performing arts, and their economic viabilities, in UDCs.

We also are facing, in most countries of the world, a deeper and continuing crisis for the arts caused by the global recession. In principal, valuable resources already may be available in the \$90+ billion/year of advertising budgets that could, from multinational corporations, find an attractive vehicle in support of a bold, global vision for the 21st century.

I can be contacted in the Washington, DC area (301)-365-5241. I would be delighted to have further conversations with you about how to bring this vision to life.

Yours sincerely,

Dr. Lloyd S. Etheredge, Director Government Learning Project

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Proposal: A Cultural Affairs Cooperative and Website.

It is possible to organize new support for the creative and performing arts on a global scale and provide new inter-cultural resources to people in all countries.

- An attractive project would be to create a Cultural Affairs Channel and Website to provide \$15,000 startup/authoring grants to one leading cultural institution in each country (N=189). In turn, each participating institution would provide five hours/year of current cultural programming, in a standard digital format, to the Cultural Affairs project and its Website. (For example, selections might include concerts or dance recitals; audio-slide presentations of museum or art gallery exhibits; experimental films; or lectures and symposia concerning national history and cultural heritage.) The programming would be available on the Cooperative's website, without charge, for on-demand/non-profit access by people in all countries. Thus each participating country, in return for five hours/year of programming, would obtain access for all of its citizens to 945 hours/year of the best programming from all countries. The startup grants will cost \$2,800,000 (189 x \$15,000).

A. Global Advertising by Large Corporations Exceeds \$107 Billion/Year

The attached article ("Top 100 Advertisers See World of Opportunity," <u>Advertising Age</u>, December 6, 2010 - Appendix A) reports that the top 100 global advertisers (defined as companies advertising on three or more continents) spent \$107.2 billion/year in 2009, 61% of the total outside the United States. One purpose of their annual advertising is to maintain favorable civic images and name recognition, goals that also could be partly served by support for global, and highly visible, Cultural Affairs projects.

B. Benefits to Global Corporations

Once underway, this Cooperative would become an attractive vehicle for support from international corporations and other donors. In time, it is hopeful (but perhaps reasonable) to expect that leading global advertisers might devote 1% of their annual advertising budgets (= \$1+ billion/year) to support the unique work of the global Cooperative. By their support, corporations would provide: 1.) a highly visible message of equal respect for the cultures of all countries. And 2.) convey respect for the value of inter-cultural understanding and the ability of art to transcend race, religion, nationality, and ethnicity in its appeal to the mind,

body, and soul.

C. Future Growth

As the Cooperative gets underway, and financial support increases, it can provide grants to more institutions. It also can underwrite original programming (including partnerships involving institutions in several countries - e.g., a series of programs concerning Islamic architecture.). The Cooperative also can seek other ways to increase financial support for the creative and performing arts. It can: 1.) Provide living artists with access to global audiences; 2.) Use its Website as a portal to link global audiences to its member institutions and facilitate sales of their publications, recordings, and reproductions; 3.) Defend copyrights, and seek generous payment to living artists for commercial use of donated material; 4.) Assume that the genetic capacity to contribute to, and gain benefit from, the creative and performing arts is universal; and it can support study groups to identify ways to create opportunities for new artists, teacher training and arts education, and access to the arts, especially in UDCs.

Endnotes

1. The international computer and telecommunications industry also could be interested to support this project to accelerate the use of international broadband capability. (The Cooperative might help to assure village/school/library connections in UDCs to assure wide access to annual programming and its online archives.) A company like Google, with expertise in online advertising, also could help to design revenue options for the Website, with any profits being used to support the arts on a global scale.

Appendix A

Top 100 Global Advertisers See World of Opportunity

Markets Outside U.S. Capture 61% of Spending. New No. 3 Ad Market: China

By Bradley Johnson

Advertising Age Published: December 06, 2010

CHICAGO (AdAge.com) -- The United States accounts for 5% of the world's population, 20% of global GDP and 34% of total worldwide advertising, making the U.S. by far the largest ad market. But if you want to reach the remaining 95% of consumers, what do you do? Go global.

The Top 100 global advertisers invested 61% of their measured-media budgets outside the U.S. last year, according to Ad Age's Global Marketers, a study covering 96 countries, territories and regions.

Regardless of their home base, these multinational marketers advertise where they see opportunity for growth.

They are betting big on one country: China. It accounts for 20% of the world's population, 13% of global GDP and -- for now -- just 5% of total worldwide advertising. But ad spending is growing fast. Publicis Groupe's ZenithOptimedia forecasts that China in 2011 will displace Germany as the world's third-largest ad market, coming in behind the U.S. and Japan.

TOP FIVE CATEGORIES	or olobar loo	
CATEGORY	WORLDWIDE 2009	% U.S.
Personal care	\$24.4	22.4
Automotive	20.3	35.6
Food	15.9	33.4
Drugs	10.2	68.6
Entertainment & media	8.5	63.6
All other	27.8	39.7
Global 100 total	107.2	38.7

On the Global 100 roster, 10 firms -- including Procter & Gamble Co., L'Oréal, Colgate-Palmolive Co., Coca-Cola Co. and PepsiCo -- allocated more than 10% of 2009 measured-media spending to China.

One global advertiser stands out in China: Fast-food seller Yum Brands (parent of KFC) last year allocated 27% of measured spending to that market and generated 31% of its worldwide revenue from mainland China.

Among the 46 U.S.-based marketers on the Global 100 roster, 12 firms do more than half their ad spending abroad, largely tracking with where they generate revenue and expect to find growth. [. . .]

Figures are measured media dollar spending in billions reflecting the primary advertised segment of each company.

Source: ZenithOptimedia's Advertising Expenditure Forecasts, December 2010. Its forecast: 4.6% increase in worldwide spending in 2011, vs. 4.9% gain in 2010 and 10.6% drop in 2009. More info: ZenithOptimedia.com. Numbers rounded. Dollar figures for major media spending in 2010 for all advertisers (including Global 100), followed by percent change vs. 2009 spending. In accompanying story, gross domestic product (2009; purchasing power parity) and population (2010) from CIA's World Factbook; U.S. and China shares of 2010 total worldwide ad spending from ZenithOptimedia.

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