

Senator Clarke offered the following resolution:

Senate Resolution No. 58.

A resolution opposing the proposed performance tax on businesses.

Whereas, The United States enjoys broadcasting and sound recording industries that are the envy of the world, due to the symbiotic relationship that has existed among these industries for many decades; and

Whereas, For more than 80 years, Congress has rejected repeated calls by the recording industry to impose a performance fee on local radio stations for simply playing music on the radio and upsetting the mutually beneficial relationship between local radio and the recording industry; and

Whereas, Local radio stations provide free publicity and promotion to the recording industry and performers of music in the form of radio air play, interviews with performers, introduction of new performers, concert promotions, and publicity that promotes the sale of music, concert tickets, ring tones, music videos, and associated merchandise; and

Whereas, Congress found that "the sale of many sound recordings and the careers of many performers benefited considerably from airplay and other promotional activities provided by both noncommercial and advertiser-supported, free over-the-air broadcasting"; and

Whereas, Local radio broadcasters provide tens of thousands of hours of essential local news and weather information during times of national emergencies and natural disasters, such as September 11 and Hurricanes Katrina, Rita, and Ike, as well as public affairs programming, sports, and hundreds of millions of dollars of time for public service announcements and local fund-raising efforts for worthy charitable causes, all of which are jeopardized if local radio stations are forced to divert revenues to pay for a new performance fee; and

Whereas, There are many thousands of local radio stations that will suffer severe economic hardship if any new performance fee is imposed, as will many other small businesses that play music, including bars, restaurants, retail establishments, sports and other entertainment venues, shopping centers, and transportation facilities; and

Whereas, The hardship that would result from a new performance fee would hurt American businesses, and ultimately, the American consumers who rely on local radio for news, weather, and entertainment. Such a performance fee is not justified when the current system has produced the most prolific and innovative broadcasting, music, and sound recording industries in the world; now, therefore, be it

Resolved by the Senate, That Congress should not impose any new performance fee, tax, royalty, or other charge relating to the public performance of sound recordings on a local radio station for broadcasting sound recordings over-the-air or on any business for such public performance of sound recordings; and be it further

Resolved, That copies of this resolution be transmitted to the members of the Michigan congressional delegation.