

February 17, 2009

Dear Representative:

On behalf of the radio broadcasters in New Jersey, I am writing to make you aware of a Resolution that has been adopted and signed by all 50 state broadcast associations expressing our collective opposition to any congressional effort to impose any new "performance fee" or "tax" on the local radio stations in the Garden State.

The attached Resolution of 50 State Broadcasters Associations in Opposition to a "Performance Tax" includes the New Jersey Broadcasters Association, and the broadcasters in New Jersey support the language that is adopted in the Resolution. I urge you to review this document and encourage you to contact me with any questions you may have. The radio broadcasters in New Jersey are asking for your support in defending their efforts to reject any attempt to impose new financial burdens on their radio stations.

To be clear, the large, internationally owned record labels are the force pushing Congress to impose this new mandate on the local radio stations in New Jersey for the music they air for free on the radio. In light of the current economic climate, now is not the time to hit local radio with new additional financial costs.

The 50 State Resolution makes numerous compelling arguments in response to the record labels efforts to "tax" local broadcasters and should help provide you with multiple arguments for defending the interests of your local broadcasters. In addition, the document highlights the value of local radio to the communities in New Jersey and across America.

Congress has long recognized the inherent value of free radio promotion to record labels and artists. For that reason, Congress has repeatedly declined to impose a performance tax on local radio. In fact, every time Congress has looked at this issue, it has rejected calls to impose such a tax on broadcasters. In 1971 and 1976, Congress considered and refused to grant a performance tax. In 1995, Congress again opted not to impose a performance tax on broadcasters so as not to jeopardize what Congress called "the mutually beneficial economic relationship between the recording and traditional broadcasting industries." House Report 104-274 (1995)

H.R. 848 has just been introduced in the House of Representatives and would require local radio stations pay this "performance tax" to the recording industry. While the recording industry has thrived on the exposure of the artists that only local radio stations can provide, they feel it is simply not enough. Radio stations should not be the industry to make up for the declining revenues in the recording industry.

To provide you with just one example of the value provided by local radio to both the artists and the labels:

"It is clearly the number one way that we're getting our music exposed. Nothing else affects retail sales the way terrestrial radio does." --Tom Biery, Senior Vice President for Promotion, Warner Bros. Records, 2005.

For these reasons and those set forth in the attached Resolution, I respectfully request that you **refrain from cosponsoring H.R. 848** and oppose any new performance tax on local radio broadcasters for the benefit of the big, internationally-owned record labels.

In order to show your support for your local radio stations, I would also **urge you to add your name to the growing list of supporters on the pro-broadcaster House Resolution that is soon to be reintroduced in the House of Representatives by Representatives Green (TX-29) and Conaway (TX-11)**. The "Local Radio Freedom Act" expresses support for your local radio broadcasters by opposing any effort to mandate a new fee or "tax" on their stations. This bipartisan resolution was introduced in the 110th Congress and had the support of 227 House members.

Should you be in need of additional information on the Green-Conaway Resolution, please feel free to contact me. To cosponsor, please contact Vince Jesaitis with Rep. Green (202-225-1688, vince.jesaitis@mail.house.gov) and Austin Weatherford with Rep. Conaway (202-225-3605, austin.weatherford@mail.house.gov).

As always, thank you for your continued support and consideration of this vital issue to New Jersey's broadcasters. Your continued courtesies are most appreciated.

Most Respectfully,
NEW JERSEY BROADCASTERS ASSOCIATION

A handwritten signature in black ink, appearing to read "Paul Rotella", with a long horizontal flourish extending to the right.

Paul S. Rotella, Esq.,
President and CEO

CC: President Barack H. Obama