

**U.S. Senate Committee on Commerce, Science & Transportation  
Subcommittee on Manufacturing, Trade, and Consumer Protection  
Hearing on Examining the Impact of COVID-19 on the Live Event Entertainment Industry  
December 15, 2020**

**Written Testimony of Ron Laffitte  
President of Patriot Management**

Chairman Moran, Ranking Member Blumenthal, and other distinguished Members of this Subcommittee, thank you for the opportunity to appear before you today for this important and timely hearing examining the impact of COVID-19 on the live entertainment industry. My name is Ron Laffitte, and I am the President of Patriot Management.

Patriot Management represents over 45 artists, producers and songwriters, including Pharrell Williams, Ryan Tedder, The Backstreet Boys, and Usher. I also spent more than 10 years as a record label executive as GM of Elektra Records and President of Capitol Records, where I had the privilege of working with numerous iconic acts, including Coldplay and Radiohead.

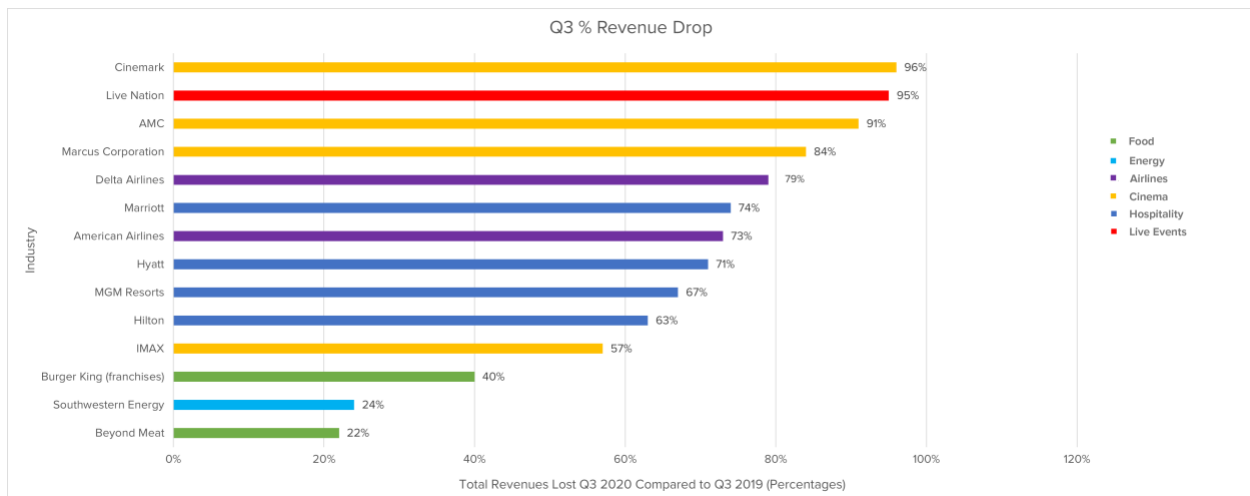
Music plays a profound and intangible role in our lives. Music evokes a vast array of emotions – and live entertainment is one of the most powerful and important ways to experience it. Live entertainment is where we gather with friends and loved ones to experience the music that stirs our emotions and the events that become life-long memories. These experiences also have the ability to be a great equalizer, uniting people from all ages, walks of life, and backgrounds as one community.

There are many aspects of the COVID-19 Pandemic that make it an unparalleled tragedy – the lives lost, the jobs destroyed, the social isolation inflicted, and the educational opportunities

missed. No industry has been more deeply and profoundly crippled by this crisis than live entertainment.

The pandemic has brought concerts, and the vast economic ecosystem that supports concerts and other live entertainment events, to a screeching halt. In addition to the economic impact of the shutdown, the isolation and despair that has made this pandemic so difficult for many is amplified as millions of fans are missing the connection, community, and culture these events provide.

Restrictions on mass gatherings, to rightly protect public health, have caused numerous live entertainment events to be cancelled or postponed, resulting in a sharp contraction in live entertainment revenue. Live music in the United States generated \$10.9 billion in 2019,<sup>1</sup> revenues that largely disappeared in 2020. PWC estimates that live music revenue will contract 64 percent globally in 2020.<sup>2</sup>



<sup>1</sup> PwC, Global Entertainment & Media Outlook, 2020-2024: Music, Radio, and Podcasts, 15, Sept. 2020.

<sup>2</sup> *Id.*

How big is the economic impact? The United States is home to the world's biggest music market.<sup>3</sup> The music industry added \$143 billion annually in value to the U.S. economy in 2016 and created 1.9 million jobs across a broad swathe of vocations.<sup>4</sup>

What is the live entertainment ecosystem in the United States? This ecosystem starts with artists creating music in their bedrooms or garages with the dream of one day performing in front of a live audience. Artists feel the pain of the pandemic personally and professionally. They miss performing live for fans. They miss the joy of telling a story through music. But, most importantly, they feel responsible for the thousands of people who help make concerts and tours happen.

The live entertainment ecosystem is comprised of more than 80,000 businesses, including businesses of promoters, agents, managers, performers and artists. Most artists also have small businesses setup to employ tour managers, production managers, lighting directors, audio engineers, bus drivers, and other individuals critical to the artist's execution of a live event. There are also the hundreds of people working behind the scenes to make a tour and concert successful from a venue's perspective, including stage and sound crews, truck drivers, electricians, welders, security officers, ushers, ticket takers as well as employees who operate food and beverage concessions and sell merchandise.

Much of the workforce involved in putting on a live event of any size are highly skilled in their craft. Lighting technicians, sound engineers and stage designers and builders, among so many others, spend years honing their expertise to deliver memorable events under

---

<sup>3</sup> Stephen E. Siwek, Economists Incorporated, The U.S. Music Industries: Jobs & Benefits, Recording Industry Association of America, 5, April 2018.

<sup>4</sup> *Id.*

circumstances that can be taxing for people physically and personally as they live much of life on the road.

But when you consider the economic impact of the live entertainment ecosystem, it goes far beyond these professions, and implicates many local and regional economies. It includes hotels where performers, crews, and fans stay, restaurants at which they eat, and transportation they use to attend an event and haul equipment from one city to another. All of these industries suffer when live entertainment does not exist.

When the pandemic struck the United States, live entertainment jobs disappeared overnight, jobs that will not return until we have conquered the virus. I implore Congress to help us protect and preserve this ecosystem during these challenging times. No venue, vendor, artist or live entertainment worker has been immune from the impact of this crisis, whether they live in small towns or large cities, or work at small venues or large arenas. Live entertainment workers can be full-time or part-time, part of a tour or part of a city's base of skilled workers that bring sets, stages, and venues to life.

I strongly urge Congress to include relief for the live entertainment industry in the next COVID-19 legislative package. We were one of the first industries to bear the brunt of the pandemic, and we will be one of last to get back to normal. This relief should help every venue, company and professional involved in the live entertainment ecosystem stay afloat until this crisis abates.

This is a sector which will see demand return at rates of 2019 or more once the virus is contained. I would ask Congress to help us ensure the supply chain is in place and strong enough

to meet this demand when it returns. Businesses such as live entertainment will be critical in fueling the United States' economic recovery.

Many performers feel as isolated from their fans as their fans do from them. They cannot wait to go back on tour to bring joy and a sense of togetherness to millions of fans. And once they do, crews and communities across our nation will once again tap into the economic output of live entertainment. Congress needs to help bridge the gap until that can occur.

As an industry, we are all hurting. And unlike restaurants or airlines that can operate at reduced capacity, live entertainment is largely an all or nothing proposition. The pandemic's economic impact on our industry is staggering: 95 percent of all events in 2020 have been cancelled or postponed and 77 percent of workers have lost 100 percent of their income. In addition, 97 percent of contract workers (back-up bands, sound mixers, bus drivers, lighting companies, etc.) have been out of work since March.

There are three specific ways Congress can help the live entertainment industry. First, expand the Save Our Stages legislation to provide relief to more venues, including any venue with less than 5,000 seats as well as all publicly owned venues. The employees of these venues and the vendor ecosystem they support need your help just as much as those employed and supported by the subset of venues in the current draft bill. And these venues are essential places of work not just for employees, but for contractors. They need access to grants until mass gatherings can resume safely.

Second, Congress needs to extend employee retention tax credits. With these credits, workers still employed can maintain employment until shows return and furloughed employees can continue to receive their employer-sponsored healthcare. Maintaining employment

arrangements will limit having additional live entertainment industry workers pushed into unemployment, which will ultimately allow a quicker economic recovery and lower long-term worker dislocation within the industry.

Third, I urge you to pass the Mixed Earner Pandemic Unemployment Assistance Act (H.R. 7691) to address unnecessary burdens when filing for unemployment faced by gig musicians with multiple employment streams.

Thank you again for the opportunity to testify at this important hearing. I greatly appreciate this subcommittee drawing attention to the plight of the live entertainment industry and live entertainment workers caused by the pandemic. I look forward to answering your questions and working with you to support the sector, and the workforce, I regard as family.