

December 10, 2020

Chairman Roger F Wicker  
Subcommittee Chairman Jerry Moran  
Ranking Member Richard Blumenthal  
United States Senate  
Committee on Commerce, Science and Transportation  
Washington, DC 20510-6125

Commerce Committee Chairman Wicker, Subcommittee Chairman Moran and Ranking Member Blumenthal, distinguished members of this Committee, I would like to thank you on behalf of myself and over ten million people in the Live Events Industry for affording us this opportunity to testify today.

I am Michael T. Strickland, Chair and Founder of Bandit Lites, a 52-year-old global leader in entertainment illumination. Garth Brooks, Jimmy Buffett, Alice Cooper, Carrie Underwood, Barry Manilow the NFL, NASCAR, Carnival Cruise Lines and over 300 others are part of our client base.

On March 13, 2020, the entire Live Event industry closed in a moment. Covid 19 was upon the world and large events were no longer possible and would not be until the virus was eradicated. Congress moved quickly to provide the CARES Act which included many things including the Payroll Protection Program.

By June 2020 all the PPP money was expended, but the virus continued. Most industries found ways to pivot, alter their methods, and learn to open and survive. Live Events could not open, as large crowds were still not possible. The issue before Live Events was purely medical and we understand that. Unless and until the vaccine is eradicated, Live Events cannot return.

As we sit before you, it has been nine months that the entire industry has earned zero income. Live Events cannot return to work until June 2021 at the earliest, and that is only if the vaccines are effective and we achieve herd immunity, which is not guaranteed. The return-to-work date may be even further away. Live Events is an \$877 billion dollar industry with over 10 million people per the US Bureau of Economic Analysis. There are over 500,000 companies. Every company sits idle

earning zero income. The 10 million plus people are either on unemployment or working in a different field, at a lower rate of pay.

The companies and the people in the Live Events Industry have only received 10 weeks of PPP, and nothing else. If Live events can return to work in June 2021 it will have been 15 months with no income aside from the original 10 weeks of PPP. Even if a second round of PPP is provided, that would be only 20 weeks of partial payroll to cover a 64-week period. This amount of money is not enough to remain open and pay employees.

Congress has worked tireless for months to deliver relief to the nation and has done a great job in many areas. There is still a segment of society that is at the brink of extinction, and that is the Live Events Industry. No other industry is 100% shut down and will be until June 2021. Live Events is the true industry that was the first to shut and will be the last to reopen.

Both the House and the Senate have suggested in various bills that the Save Our Stages Act be passed to save Americas important venues which are a part of the Live Entertainment Industry. I applaud you for this wisdom and urge you to pass this important piece of legislation as part of a relief package. However, Save Our Stages only provides funding for venues, managers, booking agents and promoters. This is 8% of the Live Events Industry. All other segments of the industry receive no support via Save Our Stages. Here is a partial list of companies and people still in need of funding: Artists, Actors, Performers, Sound, Lighting, Video, Pyrotechnics, Lasers, Caterers, Rigging, Trucking, Bussing, Staging, Wardrobe, Designers, Dancers, Opera, Theaters, Festivals, Tours, Orchestras, Corporate Shows, Trade Shows, Conventions, Speakers, TV Studios and Stations, Radio Stations, Film, Theme Parks and attractions, Museums, Movie Theaters, Labor Companies, Free Lance workers, Circuses, Fairs, Rodeos, Water Shows, Freight, Drapes, Power, Radios, Manufacturers, and many others. We urge you to pass Save Our Stages, but to also save the rest of the Live Events Industry. All these industries need one another to survive. Venues will have no artists to play in them or people to staff the events without holistic industry funding. Please Save All Live Events.

We have already lost 30% of our companies, never to return. Over 20 % of the people that have left the industry will never return. We lose more people and

companies every day. If Congress does not pass additional PPP and Enhanced Unemployment in December, we will lose another 20 to 30% of the firms and people by the end of January. But that is only the start.

No firm and no person in Live Events qualify for a commercial loan. You must have a strong balance sheet, strong profit and loss statement and a viable income stream to borrow money. No company in the Live Event Industry qualifies, therefore they cannot secure a loan.

The only path that will save Live Events is the RESTART Act. RESTART will provide every firm 45% of 2019 income which will allow most firms to survive well into 2021. The portion spent on payroll and allowable expenses will be forgiven in the style of PPP. The balance will convert to a 7-year loan with no payments year one, interest only year two, and amortization years 3 through 7 at around 1 % interest. This format allows companies to survive, gather cash, and repay the loan over 7 years. There is a \$12 million dollar limit per firm. Many venues, radio stations, TV stations, and not for profits are owned by or controlled under governmental agencies or municipalities. They all need relief as well, as they function as stand-alone entities with no source of income other than their Live Event revenue stream.

RESTART as written requires a 25% loss of income and is available for firms of less than 5,000 people. The CBO Score on this is \$700 to \$800 billion and is simply too costly. RESTART was written in May 2020, when a 25% reduction in revenue was significant. Now that we are one year into the pandemic 25% is simply a bad year.

RESTART must be written to save small businesses that have suffered loss of income over 50% and that have under 500 employees. This will CBO Score at around \$250 billion which is much more affordable. Much of this will be repaid as a loan.

Repurposing of \$200 billion dollars from the failed Main Street Lending Program will fund RESTART, and this money is already appropriated, thus it would require no new funding. There is also \$134.5 billion dollars sitting unused in the PPP fund. These two funds are more than sufficient to fund all small businesses with less than 500 employees (the Federal definition of a Small Business) with a loss of revenue of over 50% in 2020 compared to 2019.

The Live Event Industry is becoming extinct as we hold this hearing. Every day that passes, more people and firms fail. Unlike any other industry, 100% of Live Events is facing extinction now. If RESTART is not passed in January, the industry will cease to exist. Imagine a world without entertainment and events. The loss of arts and culture to our society will be a blow to us all.

Please save all the Live Events Industry as well as all other small businesses that are on the brink of extinction. Please pass RESTART in January.

Thank you very much for your time and attention. Thank you and Congress for all that you do for our great nation.

Sincerely,

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