



AMERICANS *for* TAX REFORM

Grover G. Norquist
President

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The Honorable Patrick Leahy,
Chairman
The Honorable Chuck Grassley,
Ranking Member
U.S. Senate Committee on the
Judiciary
224 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Bob Goodlatte,
Chairman
The Honorable Mel Watt
Ranking Member
U.S. House of Representatives
Subcommittee on Intellectual
Property, Competition and Internet
2138 Rayburn House Office Building
Washington, DC 20515

Dear Senators & Congressmen:

On behalf of Americans for Tax Reform, I write to you regarding The Internet Radio Fairness Act. This legislation would replace one compulsory model for government price setting of copyrighted material with another. While the current so-called “willing buyer willing seller” model may attempt to mimic a free market negotiation by looking at free market deals as a benchmark, the standard in IRFA moves in an even worse direction towards forced below-market rates. Both the existing and proposed models pick winners and losers, rather than allowing free market negotiations.

The entire existing price-controlled arrangement is unfortunate and unnecessary. Instead, all parties, e.g, writers, artists, recording companies, broadcasting companies and others, should be allowed to negotiate mutually agreeable terms. There is no way, ultimately, for a legislator to decide what the fair market value of a product or service is. That is what the market is for.

We should move toward a market where setting prices, forbidding actions on one side or the other, preventing the acceptance of payment for one service or another, or prohibiting collection of compensation for the use of property are things of the past.

We believe strongly both in an open and free market, *and* the vigilant protection of property rights. I strongly urge you to move toward a market solution. When the government sets the rate for music, it is enacting price controls, in

opposition to what should be the agenda of a Congress that supports the market economy. Rates should be allowed to emerge according to supply and demand. Government should extract itself from this debate to allow an environment for negotiations to develop among broadcasters, record companies, artists, and other interested parties.

The debate on performance rights is an interesting and important one. Ultimately, it should be made in the marketplace, not in House and Senate office buildings. I urge you to enact reforms that protect intellectual property, nurture the private sector and allow the **free market** to determine prices and compensation for labor and intellectual property.

Onward,

A handwritten signature in blue ink, appearing to read 'G. Norquist', with a stylized flourish at the end.

Grover G. Norquist

CC: U.S. House Committee on the Judiciary, U.S. Senate Committee on the Judiciary