

Chairman Dingell at the Subcommittee on Telecommunications and the Internet hearing entitled "Digital Future of the United States: Part 2 - Future of Radio"

Statement of Congressman John D. Dingell, Chairman
Committee on Energy and Commerce

SUBCOMMITTEE ON TELECOMMUNICATIONS
AND THE INTERNET
HEARING ENTITLED "DIGITAL FUTURE OF THE U.S.: PART 2 - FUTURE OF RADIO"
March 7, 2007

Thank you Mr. Chairman, and I thank our witnesses. I especially welcome Peter Smyth of Greater Media, whose company owns three Detroit radio stations and does an exceptional job of serving our community.

This is the second hearing in the Committee's examination of our Nation's digital future, and it is an important one. Decisions may soon be made that will affect the structure of the broadcast marketplace, and the level and quality of discourse in our democratic society.

Since the formation of commercial broadcasting, Congress has acted deliberately to preserve localism, promote diversity, and ensure competition in the broadcast media. Rather than establish a national broadcast system, Congress oversaw the creation of thousands of local stations throughout the Nation that are required to respond to the needs of their local communities.

So what is the state of radio today?

Yesterday we read that the Federal Communications Commission (FCC) took action in a long-awaited probe of payola allegations involving four major radio conglomerates. Let us hope that the \$12.5 million fine will serve as a deterrent to airing paid material without proper disclosure. The companies reportedly also agreed to offer airtime for local artists and independent record labels. Perhaps this step will renew the industry's focus on local community talent.

Many claim that consolidation in the radio industry over the past decade has adversely affected diversity on the public airwaves and the service broadcasters provide to their local communities. These concerns must be taken seriously. Yet we now find Clear Channel, the largest group owner, spinning off several hundred radio stations.

This offers a ray of hope that the trend of declining minority media ownership can be reversed. The last count shows that minorities own a dismal 4 percent of radio stations nationwide. The FCC must step up efforts to spread licenses among entities that better reflect the diversity of people across this great Nation.

The transition to digital provides an opportunity to reinvigorate local broadcasting. With near-CD quality sound and multicasting capability, digital radio allows broadcasters to improve service and remain a vibrant part of the local media landscape. With any luck, we may even see a resurgence of classical music on the dial.

Broadcasters are also joining a variety of entities using the Internet to serve a worldwide audience. Listeners now have a broad range of audio entertainment options, including satellite radio, Internet radio, mobile phone services, and recorded devices like iPods. Earlier this week, the Copyright Royalty Board set a new music royalty rate for commercial and noncommercial webcasters. I intend to look carefully at the implications of that decision.

Beyond music, consumers are embracing podcasts and interactive modes of delivering information. I have found that my own podcasts enable me to better serve my constituents.

What can consumers expect to hear in the future? Will the new opportunities translate into more local, more compelling and more diverse content?

Even in this new world, radio remains an important fabric of our local communities. We must remember the deliberate vision of a free and local system of commercial and noncommercial broadcasting spread among the urban and rural communities that make up our Nation. We must continue to promote new uses of the spectrum, such as low power radio, while protecting existing licensees from interference. Even today, a healthy free broadcasting service remains a vital source of local news, culture, and emergency information.

Our national policies must continue to promote localism, diversity, and competition in the media marketplace. Those with the rare privilege of using the public airwaves “whether for local or national purposes” should provide a public service. The FCC has been far too laggard in overseeing public interest responsibilities of digital and satellite radio providers. We must never forget that industries that distribute information have a far greater responsibility to our society “and pose far more serious concern” than, for example, those who distribute toothbrushes or toasters.

Today’s hearing also begins an exploration of the merger of XM and Sirius. I look forward to learning more as the FCC and others begin what I expect to be a thorough, objective, and fully transparent review of the transaction and its effect on consumers and the public interest.

- 30 -
(Contact: Jodi Seth, 202-225-5735)

Prepared by the Committee on Energy and Commerce
2125 Rayburn House Office Building, Washington, DC 20515