

**Testimony of Carol Pierson
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To the Senate Commerce Committee
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Chairman Inouye, Senator Stevens and Members of the Committee, my name is Carol Pierson. I am President and CEO of the National Federation of Community Broadcasters. I am speaking to you today on behalf of the NFCB and Native Public Media, a project of NFCB.

Today's hearing is so important because Congress and the FCC are facing a number of critical decisions that will greatly impact the current radio landscape and the future of radio. In my testimony today I want to stress several key points:

1. The overwhelming demand for terrestrial noncommercial radio stations coupled with the explosion of Internet based webcasts and podcasts demonstrates that radio as a communications platform and art form is thriving.
2. Terrestrial radio remains the closest thing this country has to a universally accessible platform for locally originated news, information and entertainment. Radio is more than a tool to deliver an audience for advertisers; it's a tool for real-time public safety communication, local culture, self-identity and political discourse.
3. Changes in ownership rules have drastically altered the commercial radio landscape, challenging the historic regulatory priorities of localism, competition and diversity. To a large extent noncommercial and community radio stations are attempting to fill that void, but Congress and the FCC must act to respond to the extraordinary unmet demand for additional noncommercial platforms and resources to support existing stations.
4. Station ownership remains a major concern, with extremely few opportunities for women or minorities or Native Nations to own radio stations. There is not a lack of interest – rather the regulatory structures have placed potential commercial owners in a market against massive conglomerates with deep pockets. On the noncommercial side, Congress has limited the FCC's ability to license Low Power FM stations, and opportunities like last week's application window for Non Commercial Full Power stations have happened rarely. Recent reports that the FCC is considering loosening existing media ownership rules without addressing key issues of minority ownership and localism are very troubling.

Radio today is in the midst of a complete revitalization, particularly through the growth of noncommercial community broadcasting and the development of new Internet and satellite based radio platforms. This explosion of content demonstrates

that radio as an art form and means for communication is thriving. What is also clear is that policymakers should re-emphasize their commitment to the traditional regulatory priorities of localism, competition and diversity.

Over the past ten years, a great deal has been said about the impact of the massive consolidation of commercial radio ownership that resulted from the 1996 Telecommunications Act. We have heard the complaints:

- Over two thirds of listeners and revenues in the commercial marketplace controlled by just ten companies.
- Over 70% of advertising revenues in virtually every market controlled by four broadcast firms or fewer.
- The scandalous lack of ownership opportunities for women and minorities.
- New, structural forms of payola that created economic barriers for local or independent music to be considered for rotation.
- And incidents like Minot, where radio did not live up to its potential to inform the public in an emergency situation.

Recent reports indicate that the FCC may consider lifting ownership rules that limit the number of commercial stations a company can own in any given market. I cannot stress strongly enough that the antidote to runaway consolidation in the commercial radio market is not more consolidation. Congress and the FCC must consider and implement policies that will allow for greater diversity of ownership, competition and localism. The Commission has built a significant record on issues of localism and ownership. It would be a huge mistake to allow more consolidation in the face of this record.

One of the clearest windows into the unmet demand for terrestrial radio stations is through the experience of Native Public Media. This is a project of NFCB that represents 33 Native owned and operated public radio stations throughout Indian country. This project has been made possible by a generous grant from the Corporation for Public Broadcasting. These stations provide a unique platform for Native programming, including news, information, education, cultural and language preservation. Listeners enjoy these programs via the radio or in some cases webcasts and podcasts. As Native radio blossoms, more and more Nations express an interest in owning their own station. One quarter of the pleas to NPM for help in starting a radio station came from Native communities who were experiencing an epidemic of youth suicides. Elders, community leaders and health care professionals felt that having their own Tribal voice would invoke pride and revitalization of language and enhance community life.

A big part of the mission of Native Public Media is to document the opportunities for Native Americans to utilize broadcast and new digital platforms to create and distribute news, information and educational programming created by Native Nations, for the use of Native Nations. To that end, we realize there are significant gaps in just the basic understanding of how Native peoples access both traditional media and new

technologies. NPM has proposed a two stage research report that will consolidate existing data commissioned by numerous government agencies and private foundations and fill in the gaps with new original research. Access to media is necessary in today's world, just as access to new Internet based technologies will be increasingly critical for economic survival. Without accurate data, policymakers are left making difficult decisions based on assumptions and instincts. NPM hopes to fill in the blanks with hard data.

This past week, the FCC held a rare opportunity for noncommercial entities to apply for a full power noncommercial radio station. The window was a significant success, as hundreds of organizations submitted applications to the FCC including 26 from Native Nations. Interesting 6 came from a single state – Hawaii. This window demonstrates not only the huge unmet demand for more radio stations, but the need for the FCC to open such windows on a regular, predictable basis.

This committee is also well aware of the need to pass legislation to allow the FCC to grant additional Low Power FM (LPFM) licenses for schools, churches, community groups, local governments, Native Nations and other noncommercial entities. Since the service was established in 2000, nearly 1000 new LPFM stations have gone on the air, providing critically important local programming in small towns and rural parts of the country. Because of Congressional action, however, the FCC has been blocked from issuing these licenses in larger communities that could greatly benefit from the service. The technology is settled, the service is a huge success, and it is time for Congress to act once and for all to reauthorize the Commission to expand this service.

Expansion and protection of community radio is particularly important in light of the role existing stations play in boosting public safety during emergencies. These stations are often the only ones with local staff to provide emergency coverage. For example:

- In 2004 KWSO staffers in Warm Springs, Oregon kept the community abreast of the events surrounding the worst fire outbreak of this decade.
- Apache radio station KNNB also played a significant role in keeping area residents and tourists safe during the “MMM” fire in 2004 providing coverage in both English and Apache.

I've attached to my testimony a letter signed by a number of emergency management directors. I'd like to quote:

When the Hurricanes Katrina and Rita hit the Gulf Coast in 2005, the Emergency Operations Center of Hancock County turned to a low power FM station to provide the essential public safety information those rural communities needed.

Hancock County was the hardest-hit area on the Gulf Coast. In the hours after the storm, all lines of communication connecting Hancock County to the outside world were down –

including cell phones, land lines, internet, police radio, and broadcast radio stations – except one. Through the storm and in its aftermath, WQRZ-LP – a one-hundred watt radio station, licensed to the nonprofit Hancock County Amateur Radio Club – stayed on the air, thanks to the prodigious efforts of station operator Brice Phillips and a few dedicated volunteers.

While commercial and other larger radio stations did their best to serve their communities, doing great work across the Gulf area, it was the leadership of that LPFM station, and its local volunteers, that kept Hancock County informed.

When disaster strikes, getting up-to-date and accurate information to citizens as quickly as possible is of utmost importance for public health and safety. As emergency officials charged with coordinating emergency and recovery efforts, we are convinced that the immediate, accurate, and local information WQRZ-LP supplied during the storm saved hundreds of lives in Hancock County.

Finally, it is important for Congress to continue to focus on the establishment of fair and balanced structures that allow noncommercial webcasting to continue. Internet radio provides a boundless opportunity for diverse programming, particularly for the thousands and thousands of organizations and individuals who would like to run terrestrial radio stations but are unable to do so. In addition, the Internet allows listeners to access broadcast content anywhere in the world. NFCB and other webcasters recognize the need to create fair royalty structures that allow artists to be compensated for their work. At the same time, the government should establish fair and reasonable rates and reporting structures that recognize the value of this service and the volunteer and noncommercial nature of many of these stations.

In summary, radio as a platform for communication and information is in many ways stronger than it has ever been. The Congress should look for strategies that bring localism back to commercial radio, encourage diversity of ownership, expand and protect community radio and ensure that new technology-driven radio platforms are able to succeed.

Thank you again for the opportunity to testify, and I look forward to any questions you may have.