

Statement of John Conyers, Jr.
**Hearing on “Copyright Licensing in a Digital Age:
Competition, Compensation and the Need to Update the
Cable and Satellite TV Licenses”**
10:00 am, 2141 Rayburn HOB
February 25, 2009

The purpose of today’s hearing is to assess the Satellite Home Viewer Extension and Reauthorization Act of 2004 (SHVERA), to begin formal consideration of what changes, if any, Congress should make to this law as we evaluate how and whether to reauthorize the act.

One cannot overstate the importance of television in our society. It is the primary source of information about government, weather, local events and emergencies. In a time of where most Americans have less money to spend, many rely on television as the most affordable entertainment for their dollar.

That is why my critical test of this legislation will be whether it protects consumers and adapts their interests to this new digital age of broadcasting.

First, for the consumer, we must preserve competition. Satellite television continues to be the main competitor to cable television in most areas, and helps to drive down prices and improve customer service. In some areas, satellite television is the only way a consumer can get television reception.

A key question is whether we need to change the law to give satellite companies the ability to provide lower prices and more choices for consumers.

For example, should we allow satellite companies to offer signals

from adjacent markets – or markets that are next door to the market where a consumer lives – so that a consumer has more choices? This would also allow the satellite company to increase its bargaining power in negotiations with network affiliates.

But we must also ask whether both of these changes would begin to erode local broadcasting and result in a loss of local weather, news, and emergency information? There can be little doubt that local stations play a critical role in educating the public about local government, community activities, and public safety information.

Second, with the digital transition delayed, and the broadcasting world in transition, for how long should we extend the Satellite Home Viewer Act? Although we have traditionally done 5 year extensions in the past, this time we may need to revisit the law sooner to ensure that the changes we make today still make sense for consumers as we see the results of the digital transition.

For example, what is considered a poor quality signal in today's analog world, may be a better quality signal in the digital world. The reverse may also be true. This will be a critical question in determining whether a consumer is entitled to a distant signal.

Third, do we need to further level the playing field between cable and satellite by streamlining the licensing system? There is a patchwork of different royalty structures that satellite and cable companies are required to pay and I think it is time to ask whether this helps or hinders competition for consumers.

Fourth, to ensure consumers have quality programming, we must protect copyright owners. They create the programming that people want to watch. Without the programming there is no cable or satellite television.

For thirty years, we have used compulsory licenses to compensate

creators of content. Under sections 119 and 111 of the Copyright Act, this has allowed the cable and satellite companies to broadcast programming and pay the copyright owner at a rate set by the government – a rate that most content owners would say is grossly below-market.

I think it is time to ask – should we continue to require creators to take the rate that the government gives them, or should they be free to get a better deal through individual negotiations? Or is that unworkable?

I intend to consider each of these options and want to take a broad and expansive look at the different possibilities. This means every single issue is on the table at this point. I want each of the witnesses to approach this hearing with that in mind, and I look forward to a robust conversation among all of you.