



Hearing on

“Radio, Music, and Copyrights”

**United States House of Representatives
Committee on the Judiciary
Subcommittee on Courts, Intellectual Property, and the Internet**

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Statement of Curtis LeGeyt

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I. Introduction

Good morning, Chairman Issa, Ranking Member Johnson, and members of the IP Subcommittee. My name is Curtis LeGeyt, and as president and CEO of the National Association of Broadcasters, I am here to testify today on behalf of NAB's more than 5,100 free, local, over-the-air radio stations that serve your districts every day.

It is an honor to appear today alongside such esteemed fellow panelists, but particularly the legendary Randy Travis. His music was the soundtrack to the formative years of so many in my generation. I am in awe of Randy's talent and grateful for what his team has recently accomplished using artificial intelligence so that a whole new generation can experience Randy's music.

Broadcasters across the country have the privilege of playing great music like Randy's on our stations, where we expose artists to new listeners and engage them with one-of-a-kind interviews in partnership with local performance venues. But we are more than that. For over 100 years, broadcast radio has impacted the lives of Americans in many beneficial and significant ways. We inform, educate and alert listeners to important events, issues and emergencies. We entertain listeners with sports and talk radio. And we are local, involved in our communities and proud to serve the public interest.

Radio stations' critical role as trusted first informers and emergency lifelines has never been more apparent than today. With online misinformation and disinformation threatening to upend our upcoming elections, and the seemingly constant deluge of natural disasters and cell phone outages, local radio remains trusted, always-on and freely available without an expensive subscription or data service.

I look forward to discussing the enduring value of broadcast radio, the importance of the existing copyright framework that governs it for the benefit of musicians and the public, and how enactment of the American Music Fairness Act (AMFA) would harm the public good and fail artists by imposing a new performance royalty that is economically untenable for local radio stations.

II. Broadcast Radio Remains Unique Among All Communications Mediums

Election Day 2024 will mark the 104th anniversary of the first commercial radio broadcast. From the airing of the first baseball game, FDR's fireside chats and MLK's "I Have a Dream" speech to in-depth coverage of the 9/11 attacks, civil unrest following the George Floyd murder and the coronavirus pandemic, local radio has been ingrained in our communities through times of triumph and tragedy. The media landscape has evolved dramatically, yet free and local radio has endured to the benefit of listeners in every community across the country and the artists played on our airwaves.

Nearly 228 million listeners continue to tune into U.S. radio stations every month¹ because our programming, service and cost remain unique among all entertainment mediums. Our locally focused content informs, educates and alerts listeners to important events impacting their communities. Our resilient architecture ensures that listeners will not lose access to their hometown teams in the bottom of the ninth inning, or – more importantly – to an emergency alert during a crisis.

During the wildfires in Maui last year, when all other means of communication failed, local radio stations remained on the air and provided crucial information that helped save lives. We see the same dedicated service during every hurricane, tornado and major flood that hits our country. The same holds true in national security emergencies. Radio stations across the country have been hardened to withstand any attack, so that we are able to disseminate emergency alerts and other critical information to our communities in the most dire of circumstances.

Local radio broadcasters do all of this through a service that is completely free to listeners, requiring no monthly subscriptions or expensive data charges. For your constituents who may be unable to pay for quality, vetted local news, radio broadcasters help ensure that they are not left behind. In addition, local radio serves a number of diverse linguistic and ethnic audiences, providing a unique and vital service to non-English speakers who are underserved by other forms of media. As a result of its massive popularity, radio continues to be an engine of local economic activity. Local radio stations employ more than 121,000 people nationwide and contribute more than \$470 billion to the U.S. economy through our broad stimulative effect.²

Of course, you cannot talk about broadcast radio without recalling the countless artists whose careers were made when their first song played over our airwaves, or our listeners whose memories are indelibly intertwined with a song playing on their favorite station. My fellow panelist, Randy Travis, helped shape a genre that showcases the incredibly close relationships between radio stations and the performers they play. Countless artists have shared the incredible and unforgettable feeling of hearing their songs on the radio and have credited radio with helping to launch their careers. Broadcast radio continues to drive music discovery for both new musicians and legacy artists.³

When our incomparable audience of listeners hears a new artist or song they like on the radio, consumers then engage with that artist in other ways, whether it's streaming, through social media, or by attending live events – all of which adds up to significant income for performers through the promotional value of radio. To put the reach of local broadcasting in context, a single song played during the morning drive on Mount Wilson's Go Country 105.1 KKGQ-FM in Los Angeles is the equivalent of 7,200 unique streams on Spotify or Pandora. On Atlanta's New Country 101.5 WKHX-FM, a

¹ Nielsen Q4 2023 Radio Monthly Reach Persons & Ratings.

² Local Radio and TV: Helping Drive the United States Economy, Woods & Poole Economics, 2023.

³ <https://radioink.com/2022/01/26/will-ethnic-radio-survive-in-the-u-s-a/>

Cumulus Media station, that same song receives the equivalent of 9,100 plays on streaming platforms.⁴

III. The AMFA Would Disrupt the Music Licensing Framework Governing Broadcast Radio and Harm the Public Good

Radio's place in the fabric of American culture is not accidental. It is the product of policy choices and a resulting legal framework that enables broadcast radio to remain completely free and dedicated to local communities. Anyone in the country can access local radio without needing a subscription or internet connection. During emergencies and times when other forms of communication fail, radio is there to deliver critical information to listeners across America.

As a result, 84% of Americans listen to local radio each week.⁵ The mutually beneficial relationship between performers and radio – free airplay for free promotion – continues to thrive, and the laws governing that relationship continue to serve the public good.⁶

Some of my fellow panelists have suggested that despite broadcast radio's time-tested benefits to both performers and listeners, Congress ought to overhaul the current music licensing laws that apply to local radio and impose a new sound recording performance royalty on local radio stations by enacting the AMFA. Such an abrupt change in law that governs relationships between incumbent rights holders and users would be wholly inconsistent with Congress's long-held approach to copyright policy. Whether it was the emergence of player piano rolls, copy machines, VHS recordings, streaming services or search engines, Congress has consistently focused its major copyright reforms on updates to law that are needed to account for new or emerging technologies – not mediums that have existed for more than 100 years. It would be unprecedented for Congress to upend copyright laws that have governed decades-long relationships, on which entire industries have been built to the mutual benefit of stakeholders as well as the public, and where the fundamental nature of each remains intact.

⁴ Nielsen Radio May 2024

⁵ Nielsen, Audience Insights, Q3 2023, weekly reach.

⁶ See *On the Radio: Public Performance Rights in Sound Recordings*, Congressional Research Service, R47642, Aug. 3, 2023 citing S. REP. No. 104-128, at 15 (1995) (“performers have ‘benefited considerably from airplay and other promotional activities provided by advertiser-supported, free over-the-air broadcasting’ ...Congress did not wish to alter ‘the mutually beneficial economic relationship between the recording and traditional broadcasting industries’”); see also U.S. GOV'T ACCOUNTABILITY OFFICE, GAO-10-862, TELECOMMUNICATIONS: THE PROPOSED PERFORMANCE RIGHTS ACT WOULD RESULT IN ADDITIONAL COSTS FOR BROADCAST RADIO STATIONS AND ADDITIONAL REVENUE FOR RECORD COMPANIES, MUSICIANS, AND PERFORMERS 13-21 (2010), available at <http://www.gao.gov/assets/310/308569.pdf> (“Most industry stakeholders believe that radio airplay promotes sales for the recording industry, and past and current business practices support this conclusion”).

Moreover, the imposition of a new performance royalty is simply economically untenable for local radio broadcasters. While our critical lifeline service is free to listeners, it is not to those who provide it. Radio operators invest significant money into their content and the local employees who make it so unique in our culture. Radio stations also pay countless other fees, including annual FCC regulatory assessments and copyright royalties to performing rights organizations like ASCAP, BMI, GMR, and SESAC, and streaming collectives like SoundExchange. AMFA's proponents argue here today that these fees are not enough, and radio stations should be assessed a new burdensome royalty.

Streaming platforms and satellite radio broadcasters recoup costs like these through the subscriptions and fees they charge to their users. Free, local radio only has the option of cutting elsewhere when new fees are imposed. These stations have to make the choice between covering local football games or paying new fees; between making their payroll or sending more money to big record labels. AMFA's proponents minimize this impact by focusing on the argument that smaller radio stations would be charged "only" a \$500 annual fee. But we all know that once assessed, fees never decrease. And, I cannot stress enough that \$500 is real money to a small market radio operator.

Make no mistake: enacting the AMFA would jeopardize jobs, require radio stations to cut back their involvement in local communities and place more pressure on radio stations already struggling to survive. It would also incentivize radio stations to play less music per hour, shift to non-music formats as a means of economic survival and cause some stations to go out of business altogether. This would hurt not only the radio stations and their local communities, but also the artists who rely on radio's unprecedented reach to engage both new and existing listeners. Lesser known or up-and-coming artists will suffer in particular, with radio stations being forced to air the most popular or larger performing artists in an attempt to draw a larger audience at minimal cost.

Part of the focus of today's hearing is on artificial intelligence, and the role it plays in the music ecosystem. While we applaud the use of these new technologies in cases like Randy's where AI enables more creativity, they also pose significant challenges to broadcasters' ability to maintain audience trust amidst a deluge of deep fakes. Effectively combatting these threats translates to even more costs for radio stations to effectively serve our communities and make the stakes of this debate even higher. For these reasons, we are grateful to the 225 House cosponsors – including 12 Judiciary Committee members – of the Local Radio Freedom Act, a resolution that opposes any new fee or tax on local radio.

IV. Recording industry revenues are at an all-time high, while radio revenue continues to decline

AMFA's proposed wealth transfer comes at a time when the financial picture of the U.S. music and radio industries could not present a starker contrast. Thanks in large

part to the continued exposure given to artists on radio, the American recording industry is the largest in the world and recorded music revenues are at an all time high. According to the most recent statistics from the RIAA, “[r]ecorded music revenues in the U.S. in 2023 continued strong growth for the eighth consecutive year. Total revenues grew 8% to a record high \$17.1 billion at estimated retail value.”⁷ It also comes at a time of significant consolidation between labels and publishers where both the record and the publishing arms of the “big three” music companies⁸ are seeing double-digit profits.⁹ According to Billboard, “[d]uring the National Music Publishers’ Association (NMPA) annual meeting [on June 12, 2024], the trade organization said it had calculated total U.S. publishing revenue at \$6.2 billion in 2023, up 10.74% from the previous year.”¹⁰

Simultaneously, the success of touring is at unmatched scale. According to Live Nation, “2023 brought all-time highs in both attendance and ticket sales. Attendance jumped up twenty percent to a staggering 145 million in 2023, compared with the previous year.”¹¹ And “concert tourism” or “music tourism” – the trend of concertgoers traveling to a specific location with the intent of attending a music festival or concert – is expected to grow from \$5.91 billion in 2023 to \$14 billion by 2033,¹² further contributing to state and local economies.¹³

At the same time as the performance industry hits these record revenues, radio’s advertising-supported model continues to be stifled by Big Tech’s market dominance. While broadcast radio has certainly recovered from the depths of the pandemic, our advertising revenue remains down nearly 15% in 2023, compared to 2019,¹⁴ and this trend is not projected to reverse. Despite these challenges, our stations continue to provide an essential service to your constituents and to the performers played on our airwaves.

When listeners hear a new artist or song they like on the radio, consumers then engage with that artist in other ways, be it by attending live events and participating in “concert tourism,” finding that artist on a streaming platform, or connecting through social media. The promotional value of radio adds up not only to significant income for performers but for the entire performance industry.

⁷ Matthew Bass, *RIAA 2023 Year-End Music Industry Revenue Report*, available at <https://www.riaa.com/wp-content/uploads/2024/03/2023-Year-End-Revenue-Statistics.pdf>

⁸ Universal Music Group, Sony Music Group, and Warner Music Group constitute the three major music companies.

⁹ Tim Ingham, *The 3 Major Music Companies are Now Jointly Generating Approximately \$2.9M Per Hour*,” May 15, 2023, available at <https://www.musicbusinessworldwide.com/the-3-major-music-companies-are-now-jointly-generating-approximately-2-9m-per-hour/>

¹⁰ See <https://www.billboard.com/pro/u-s-music-publishing-revenue-up-last-year-nmpa-annual-meeting-2024/>

¹¹ See <https://apnews.com/article/concert-attendance-live-events-consumers-9104e80597fe0804bfe47599a7282acc>

¹² *Music Tourism Market Share, Trend & Forecast by 2033* | FMI (futuremarketinsights.com)

¹³ *The Rise of Concert Tourism Explained - The Travel Team*

¹⁴ <https://www.spglobal.com/marketintelligence/en/news-insights/research/broadcast-outlook-2024-challenges-opportunities-facing-us-tv-radio-stations>

V. Conclusion

Thank you for inviting me to testify today. Congress has repeatedly and intentionally declined to interfere with the mutually beneficial relationship between performers and radio – free airplay for free promotion – and should continue to do so today.

Broadcasters are extremely proud of our service to your constituents and the support of our music industry partners. Unfortunately, the AMFA would undermine both.

We look forward to working with this committee in support of balanced music licensing policies that ensure a thriving future for performers while enabling broadcasters' uniquely free and local service.

I look forward to answering your questions.