

**STATEMENT OF COMMISSIONER JONATHAN S. ADELSTEIN
BROADCAST MEDIA OWNERSHIP HEARING
BELMONT UNIVERSITY
NASHVILLE, TENNESSEE**

DECEMBER 11, 2006

It is great to be in Nashville, the music capital of America, and the hometown of my colleague and friend Commissioner Debbie Tate.

I would like to welcome our special guests – Congressmen Marsha Blackburn and Jim Cooper, Mayor Bill Purcell and Belmont University President Bob Fisher – and our distinguished panel to this exercise in democracy and citizen participation. And special thanks to all the organizations, members of the music community, residents of Nashville and everyone here today.

We are here today because the public airwaves belong to you – the American people, not to radio and media companies that seek to profit by using them. Your presence here today reflects how critically important media ownership is to our culture, our democracy and our way of life. It is about who owns what you read, watch and hear. Your presence demonstrates that you are concerned about your right to a local media that serves your needs. Decisions about your local media should not be made in New York, Los Angeles or even Washington, DC. They should be made right here in Nashville. After all, the first FM license was granted by the FCC to Nashville in 1941, so you should be leading the way.

The law tells the FCC to promote the “public interest.” You know better than anyone what is in your best interest – certainly better than the lobbyists we hear from so regularly inside the Washington Beltway. So we are here today to hear from musicians, music industry professionals, broadcasters, academics, community organizers and concerned citizens. We are here to learn how the public airwaves are being used to provide you quality and local music, news and entertainment.

We need your input on how well you are served by Nashville newspapers, radio and TV. We want to know if local artists – those who make such great contributions to our American culture – are getting airplay. We want to know whether local issues of concern are getting the coverage they deserve. And we want to know if there is adequate local, civic, public affairs and children programming on TV. Perhaps better than any other city in America, Nashville knows how powerful an influence television and especially radio has had over our culture, our ability to share and experience our fellow Americans’ artistic talent and creative ideas.

I sometimes wonder, where is the next Elvis? Where is the next creative genius who perhaps lives in a small town and does not have the financial backing of a major record label? The first time America heard Elvis was over the radio. As a youngster, he was able to get airplay on WELO Radio, which was broadcasting a children’s talent show in Tupelo, Mississippi. Once he grew up, local stations here in Tennessee gave him his first airing. How many stations, radio or TV, would do that today?

I sometimes wonder if the next Elvis is not out there right now throwing down his guitar in disgust because he cannot get played on the radio because he sounds “different.”

Today, ninety percent of the songs that get airplay are from a handful of record labels, which are in turn part of multi-national, diversified entertainment conglomerates. Independent labels, which generally sign local artists, account for less than ten percent of top 1000 most played songs on radio. This is disturbing for local communities and America as a whole.

Nearly every American music genre began with independent label pioneers. Motown, jazz, blues, soul, country, bluegrass, rock and roll, grunge, hip hop and the Nashville sound began as local music being promoted by local, independent musicians and labels on local radio. While they all began in different regions of the United States, they all succeeded because they started getting heard on local radio and then broke out nationally and internationally. Too often, though, radio companies today short-circuit that route. Maybe that is the reason radio sounds so similar coast to coast.

I know full well that today’s musicians have exciting new platforms – like satellite radio, the Internet, I-tunes and You Tube – to display and disseminate their creative talent. But the fact remains: broadcast radio continues to be the dominant way to break new artist and hear new music. The two satellite radio companies, for example, have a total of about 12 million subscribers, while over 200 million people listen to terrestrial radio on a *weekly* basis. And, we also know that there is strong correlation between airplay and record sales.

That is why Commissioner Tate and I have been encouraging the Commission to be strong on stamping out payola practices in the radio industry. Payola hurts musicians, the radio industry and the free flow of creative talent because music is chosen by who can pay the most – not who sounds the best. Payola causes stations to broadcast programming based on their financial interests at the expense of community needs. Payola is inconsistent with one of the pillars of our broadcast media ownership rules: localism – putting the local community’s values and interests first.

The end result of corporate radio that is driven by Wall Street demands rather than local community taste is that you hear the same songs over and over again. While there are many different formats, as one of today panelist, WFSK(Fisk University) manager and talk show host, Sharon Kay, has repeated: “radio is becoming a coast to coast P.A. system.”

I was watching the movie *Prairie Home Companion* recently, which is a telling film about media consolidation. It is about a homey, locally-based radio show where characters from St. Paul “let it all hang out.” A radio conglomerate from Texas buys the station from the local owner and immediately plans to kill the show. As one woman in the production says, “when this show goes, pretty soon there won’t be anything left on radio but people yelling at ya’ and computers playing music. It’s a tragedy.” I am here today to find out if there is more than a little truth in that parable.

The good news is that with all the attention and investigations, country music has taken steps to mitigate its payola problems, and that is producing results. In the past two years, more independent labels have had hits and broken out more artists than any time since the 1970s. There are still a lot of loose ends to tie up, but I am hopeful that ending payola once and for all through strong enforcement will help restore the soul of radio and help the best artists win because of merit, not corporate backing. That is best for the listeners, the radio industry, the music industry and it is best for Music City, USA.

We are now reviewing our broadcast media ownership limits. Study after study shows that broadcasting is still the dominant source of not just local news and information, but also entertainment programming. It is still the broadcast industry that produces, disseminates and ultimately controls most news, information and entertainment. This has huge implications for the free exchange of ideas that is so essential to our participatory democracy.

Well today, the FCC is here in Nashville to participate in this democratic process of an open hearing. We are here to hear views about the state of radio and TV. I thank Chairman Martin for giving us this opportunity, and Commissioner Tate for putting so much of it together in her hometown. I look forward to learning from the testimony of the witnesses and the public comments.

Thank you.