

Opening Statement of the Honorable Greg Walden
Subcommittee on Communications and Technology
Hearing on "The Future of Audio"
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(As Prepared for Delivery)

There's a saying, allegedly of Chinese origin: "May you live in interesting times." It's supposedly a curse, but what's the alternative? Living in boring times?

Today's audio market is certainly not boring. I was a radio broadcaster for more than 20 years, and I barely recognize the industry anymore. The number of full-power broadcast radio stations has jumped 23.7 percent since 1996 to more than 15,000. More than 2,000 local broadcast radio stations have gone HD, each offering as many as four channels and the benefits of digital technology. Many broadcasters now also simulcast their stations over the Internet, as well as offer dedicated Internet content. Satellite radio offers more than 150 digital channels to more than 20 million subscribers. Internet radio garners more than 89 million listeners each month. The number of subscribers worldwide to mobile music streaming services is expected to reach 160 million by 2016. Anyone with a web page can transmit their songs to the world. A majority of Americans over the age of 12 possess a portable music player that let's them take their music wherever they go. And the growth of the cloud now enables consumers to have their music everywhere they go without even taking it.

On the one hand, this means today's songwriters and performers have a wealth of options for reaching music lovers. On the other, it means securing a critical mass of listeners may be harder as audiences fracture. Are artists liberated by the digital age or finding it harder to cut through the cacophony? Is it ironically easier to start a career but harder to make a living in the music business today? Is the pie getting larger or is everyone nibbling on each other's slice?

One thing is certain. Experimentation will be critical as new technologies challenge existing business models. That is why I was intrigued by the announcement yesterday that Clear Channel and record label Big Machine will share over-the-air revenue while trying to grow the online market. This deal shows that broadcast radio stations and record labels can get to "yes" on issues that have vexed their industries for years. I, for one, encourage the private sector to negotiate deals without government involvement. It is much better for stakeholders to solve their own business matters than for us to try to solve them for them. I will be interested to hear if other broadcasters and record labels are willing to enter into similar deals with Clear Channel and Big Machine, and with each other.

We have an amazing panel today that spans almost the entire distribution chain from songwriter, to performer, to service provider, to device manufacturer. I will be curious to hear from our witnesses how changes in communications services and consumer electronics equipment is affecting the way audio content is distributed and consumed.

We certainly live in interesting times. And I think that's a good thing.

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