

# Equipping Mobile Phones with Broadcast Radio for Emergency Preparedness

For little cost, manufacturers can include a radio receiver in mobile phones that would give consumers convenient access to the free entertainment and lifeline services provided by America's local radio broadcasters.

For 60 years, broadcasters have proudly served as the backbone of the public warning system through the delivery of Emergency Alert System (EAS) warnings. Americans also rely on local broadcasters for ongoing, live coverage during emergencies, such as lifesaving information on storm paths, evacuation routes and other critical news. The next generation of public alerting is currently being deployed to enable emergency warnings to reach Americans through a multitude of technologies and platforms. Broadcasters fully support this goal, and seek to further it by expanding the availability of mobile phones with broadcast radio reception.

A recent nationwide survey found that 76 percent of Americans are willing to pay a small one-time fee to extend their access to radio through mobile phones, and 73 percent said having a radio-capable mobile phone would be "important" during an emergency.

Globally, it is expected that roughly 700 million radio-capable mobile phones will be on the market by the end of this year, or approximately 45 percent of all active mobile phones.

But in the U.S., penetration of radio-enabled mobile phones substantially lags the global market, largely because mobile phone operators in the U.S. enjoy exclusive control over the manufacturing of handsets for their services. NAB has been working to educate both mobile telephone operators and policymakers on the benefits of expanding the availability of radio-enabled mobile phones. In fact, 17 members of the Congressional Black Caucus recently sent a letter to the Federal Communications Commission (FCC) requesting that the FCC hold a hearing to explore the potential benefits to the public of including radio tuners in mobile phones.

Because radio tuners rely on over-the-air radio signals, there is no risk that radio-enabled mobile phones would clog up the existing switched wireless networks or broadband networks and impede the delivery of important emergency information.

For this reason, radio-enabled mobile phones will make Americans safer. The text-based system being developed by the wireless industry will limit emergency warnings to a short message of about 90 characters. In contrast, a mobile handset with free radio reception provides consumers with instant and reliable access to both emergency alerts and in-depth emergency information. Text-based warnings alone cannot provide this type of important emergency information.

More than 241 million Americans weekly depend on local radio to provide the news and information they need. For the benefit of the American public, radio-enabled mobile phones should be a critical component of any next-generation wireless alerting solution.

**Will you urge the Federal Emergency Management Agency (FEMA), the FCC and the mobile phone industry to consider ways to expand the availability of radio-enabled mobile phones?**

# Oppose a Performance Tax on Local Radio Broadcasters

At the behest of the big record labels, legislation was introduced in the last two Congresses to impose a performance tax on local radio broadcasters. The Performance Rights Act would have imposed a devastating new tax on local stations simply for airing a performer's song on the radio. A performance tax, paid to performers and record labels, could financially cripple local radio stations and put jobs at risk, stifle new artists trying to break into the recording business and harm the listening public who rely on local radio.

The value of free radio promotion to record labels and performers is well recognized. Free, local radio touches 241 million listeners each week, a number that dwarfs the reach of both Internet and satellite radio. For more than 80 years, record labels and performers have thrived from radio airplay – which provides free promotion for their music concerts and merchandise.

Today, the record labels find themselves struggling because they have failed to adapt their business model to the digital age. As a result of these financial struggles, they seek to recoup revenues on the backs of local radio stations that are, ironically, their greatest promotional tool.

Contrary to the record labels' misrepresentations, the performance tax is less about benefiting the artists and more about rewarding the labels by funneling potentially billions of dollars to these companies that are based overseas. Under the Performance Rights Act, 50 percent of the fee would go straight into the pockets of the record labels.

In the 111th Congress, the Performance Rights Act was introduced by Rep. John Conyers (MI-14) and Sen. Patrick Leahy (VT). Although performance tax legislation has not been introduced in the 112th Congress, the Local Radio Freedom Act, a resolution expressing opposition to a performance tax, was introduced again this Congress by Reps. Gene Green (TX-29) and Mike Conaway (TX-11) in the House, and Sens. Ben Nelson (NE) and John Barrasso (WY) in the Senate. These resolutions are cosponsored by more than 190 members of the House and Senate.

This overwhelming opposition to a performance tax successfully prevented the Performance Rights Act from passing during the 111th Congress. During the 112th Congress, NAB continues to oppose any performance tax legislation on Capitol Hill, yet remains open to continued good faith discussions with the music industry to resolve this issue.

The existing system is the epitome of fairness for all parties: free play in exchange for free promotion. It has allowed American music and the recording industry to thrive and grow, and has allowed local radio broadcasters to better serve their communities.

**Will you oppose a congressionally mandated performance tax on local radio stations that would jeopardize local jobs, prevent new artists from breaking into the recording business and harm 241 million Americans who rely on free radio?**

# Oppose a Performance Tax on Local Radio Broadcasters

- Over the last two Congresses, the recording industry has lobbied Congress to adopt the Performance Rights Act. This would impose a devastating new tax, paid to performers and record labels, on local radio stations simply for playing music on the radio.
- A performance tax would financially hamstring local radio stations, stifle new artists and harm the listening public who rely on local radio.
- The value of local radio to record labels and performers is well recognized. For more than 80 years, free radio airplay has provided the recording industry increased visibility and record sales.
- Local radio touches more than 241 million Americans each week, a number that dwarfs the reach of Internet and satellite radio. In fact, 85 percent of listeners of all audio services identify radio as the place they first heard new music.
- While the big record labels' business model suffers, they seek to recoup lost revenues on the backs of local radio stations that are, ironically, their greatest promotional tool.
- Contrary to the record labels' misrepresentations, the Performance Rights Act is less about benefiting the artists and more about rewarding the foreign-owned labels, since 50 percent of the tax would go straight into their pockets.
- Congress has long recognized the inherent value of free radio promotion for record labels and performers and has repeatedly declined to impose a performance tax on radio broadcasters.

*See reverse*

# Oppose a Performance Tax on Local Radio Broadcasters

*Continued*

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- The existing system is the epitome of fairness for all parties: free radio air play in exchange for free promotion.

**Will you oppose a congressionally mandated performance tax on free, local radio broadcasters that would jeopardize local jobs, prevent new artists from breaking into the recording business and harm the 241 million Americans who rely on local radio?**

# Protect TV Viewers and Allow Broadcasters to Continue Negotiating in the Free Market

Television viewers rely on broadcast programming. It is available to everyone, both free with an antenna and through pay-TV services, such as cable and satellite. Local stations are by far the most in demand on every pay-TV package sold. In fact, during the 2010-11 television season, broadcast shows dominated the primetime program rankings, accounting for 95 of the top 100 programs.

Congress recognized long ago the value of local broadcast signals. The 1992 Cable Act included the right for local television broadcasters to negotiate with cable operators in a free market for use of stations' signals (known as retransmission consent). Terms are agreed to by both parties in a private negotiation and can include cash payments, barter such as channel placement on the cable system and advertising on the station.

Prior to this law, cable operators used broadcast signals without stations' consent and resold the signals, making millions. In short, broadcast programming subsidized cable.

Pay-TV companies would like to return to an era when they did not have to negotiate with local stations and have tried to claim that the retransmission consent process is broken. But, the current process provides incentives for both parties to come to mutually beneficial arrangements. Broadcasters want to be included on pay-TV platforms that expose them to broad audiences, and pay-TV providers need the very popular content from local broadcasters.

Asking pay-TV companies to compensate local stations, as they do other content providers, is simply a matter of fairness – especially considering that costs to retransmit broadcast programming account for only two cents of every dollar of cable revenues.

Even with the highest viewer ratings of any television content, broadcast TV lags significantly in compensation. Broadcast programming has average ratings six times higher than cable, yet cable-owned programming receives compensation 10 times higher than broadcast TV.

Eliminating broadcasters' ability to negotiate for the value of broadcast signals would mean less choice for viewers and fewer dollars for stations to dedicate to local news, public affairs programming, coverage of emergency weather events and community activities.

Legislation has been introduced – H.R. 3675 and S. 2008 – that would remove fundamental TV carriage laws that are important to broadcasters, like retransmission consent. The bills jeopardize viewer access to quality local news, entertainment, sports and life saving weather warnings. These bills also put at risk the community-based information and entertainment medium that serves tens of millions of Americans each day, and supports close to 700,000 jobs across the country.

**Congress and the FCC should allow broadcasters and pay-TV operators to continue to conduct private, market-driven negotiations for retransmission consent and avoid tilting the scales in favor of either party. Will you refrain from cosponsoring H.R. 3675 and S. 2008?**

# Ensuring Television Viewer Choice and Innovation

On February 17, 2012, Congress approved legislation allowing the Federal Communications Commission (FCC) to conduct spectrum incentive auctions. Such an auction would allow TV stations that voluntarily give up spectrum to share in part of the auction proceeds. Since the FCC proposed the incentive auction concept in its March 2010 National Broadband Plan, the National Association of Broadcasters (NAB) has supported incentive auctions provided they are truly voluntary and do not harm broadcasters that choose not to participate or the tens of millions of Americans who rely on free, over-the-air broadcasting.

Members of Congress pursued the spectrum legislation primarily to achieve three key public policy goals:

1. Generating revenue necessary to build a nationwide interoperable public safety network;
2. Making more spectrum available to wireless companies for mobile broadband; and
3. Allowing broadcasters who are willing to relinquish their channels to share in the proceeds generated by the sale of that spectrum.

Policymakers also included in the legislation certain safeguards necessary to ensure viewers retain access to a vibrant broadcasting industry for generations to come, including:

- Signal contour protections to ensure local TV stations can continue to reach the same viewers and geographic areas;
- No forced move for stations from UHF to VHF, which maintains local TV stations' ability to innovate and provide new services for viewers in the future;
- A one-time auction and a relocation fund of \$1.75 billion to offset costs incurred by local stations that are moved to different channels following an auction; and
- Language guaranteeing continued viewer access to TV station signals along the Canadian and Mexican borders.

We are pleased that Congress recognized the value of broadcasting and included language in the bill that ensures local TV stations have the ability to innovate and provide viewers with the news, emergency information, sports and entertainment they expect and deserve.

Even in the Internet age, broadcasting remains the most efficient medium for consumers to receive video programming through their favorite mobile devices. Expanding broadband access the right way means not only making additional spectrum available for mobile broadband, but also retaining access to broadcast TV and expanding the platforms on which consumers can access broadcast video.

In the months and years to come, the FCC will implement this new law. It is important that Congress maintain strong oversight so that the safeguards included in the bill are implemented as Congress intended.

**Will you help to ensure that the FCC properly implements the spectrum legislation as Congress intended so that local stations and the viewers that rely on broadcast programming are not harmed?**