

**Opening Statement of Republican Leader Greg Walden
Subcommittee on Communications and Technology
“STELAR Review: Protecting Consumers in an Evolving Media
Marketplace”
June 4, 2019**

As Prepared for Delivery

Mr. Chairman, thank you for scheduling this hearing today.

And thank you to our witnesses for being with us today, I know expertise will be invaluable as we move forward in our review of the media marketplace and whether or not the Satellite Home Viewer Act – first passed when Ronald Reagan was president – works for television viewers today.

I’d especially like to extend a warm welcome to my friend and fellow Oregonian, Senator Gordon Smith, who effectively served Oregon in the United States Senate for a dozen years. It’s good to see you over here in “the people’s House.”

Thirty years ago, Congress sought to ensure that rural Americans, unable to receive an over-the-air broadcast signal, would still be able to view content via satellite services. For a large rural district like mine in

Oregon – which would stretch from the Atlantic Ocean to Ohio if you laid it over the East Coast – this was critical.

Congress would go on to bless the budding satellite industry with a discounted Copyright license as an alternative to individually negotiating with each Copyright holder. While the license to provide local-into-local signal is now a permanent fixture, the “distant network signal” license is still reviewed every five years, along with other elements that accompany the extension.

As I emphasized when we did this five years ago during my time as subcommittee chairman, this must be a transparent process driven by reliable data. I am encouraged that the FCC last year commenced its Quadrennial Review of the media landscape. I’m also appreciative of the work by the Government Accountability Office in drafting its report that Congress directed describing stakeholders’ views on phasing out the statutory license.

Our goal should certainly be that everyone in this country has access to local content at a reasonable price.

You all have heard me discuss my background in broadcasting, and hopefully understand my priority that local content is preserved. We must have a model that revolves around this concept because although we might like watching the latest show on Netflix, it's essential that we have access to our local news, sports, weather and emergency information. Whether it is the wildfires and smoke warnings in the summer months in Oregon, or tornados, traffic accidents, and emergency situations, local content provides vitally important, trustworthy, and timely information to communities across the country.

It is also certainly understandable in our fast-moving world to take stock of what has changed. Technological developments paired with changes in how Americans consume video – driven in significant part by online video services – have led video distributors to see steep declines in subscribers as consumers cut the cord, and broadcasters have seen advertising revenues move to digital platforms. This fact certainly impacts the distributors, but also it impacts broadcasters in their ability to serve their local communities with in-depth news coverage.

Local broadcasters expend tremendous resources serving their communities, and they deserve a level playing field. Through their FCC licenses, broadcasters serve as trustees of the public's airwaves, and

must serve the public interest. That means they serve the needs and interests of their local communities. We must be careful not to hamstring them with negotiating restrictions not justified by market conditions.

Most importantly, consumers won't tolerate gaps in coverage, blackouts, and arbitrage opportunities that drive up prices and reduce the quality of local content. The bottom line is that Congress must consider whether a distant network signal license extension is a bridge--or a blockade--to delivering local coverage. I am committed to ensuring that all rural communities both in Oregon, and across the United States, continue to receive robust, effective, and affordable local broadcast coverage. Period.

So, I'm looking forward to hearing from our witnesses today – a cross-section of industry and public interest stakeholders – as we move forward in this process and examine the role of the statutory license in today's video marketplace. Thank you.