## 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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Market
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Greetings, Chairs Jordan and Issa, Ranking Members Nadler and Johnson, and distinguished members of the House Judiciary Subcommittee on the Courts, Intellectual Property and the Internet. My name is William "Eddie" Harrell, Jr. and today I am testifying on behalf of Radio One, Inc. ("Radio One") and general managers at radio stations across the country. I know that today's hearing is entitled "Radio, Music, and Copyrights: 100 Years of Inequity for Recording Artists." However, I am here today to discuss how a performance tax imposed on radio stations across the country will create inequitable harm and devastation for radio station owners, general managers and staff.

First, let me tell you about the story of Radio One, the largest urban radio network. Radio One was founded in 1980 by media pioneer Cathy Hughes in Washington, DC. Cathy Hughes' career first began in the mid-1960s when she worked for the newspaper, the *Omaha Star*. After leaving Omaha, NE in 1969, Cathy moved to Washington, DC to work as an administrative assistant at Howard University's School of Communications. After working as an administrative assistant, Cathy became the General Sales Manager of Howard's radio station, WHUR-FM and then eventually the station's first woman vice president and general manager. Under her leadership at WHUR-FM, she was instrumental in creating unique programming like the "Quiet Storm" radio segment which is now a staple and replicated across radio stations in the United States.

After being denied 32 times by various banks, Cathy found a lender and purchased WOL 1450-AM for \$995,000. After the purchase of WOL 1450-AM, Cathy faced financial difficulties after the facility where the radio station was housed was ruined by previous employees. Subsequently, she lost her home, became homeless and started living at the radio station with her young son, Alfred. It was not until she enhanced the station's format from playing all R&B music to a talk radio format themed "Information is Power," that then Cathy began to see success. However, in 1982, Cathy was forced to air music after her lending bank threatened to cease payments. In that moment, she developed a winning formula for Radio One which is used to this day, a talk format in the morning and then music aired during the rest of the day.

In 1987, she would purchase her second radio station WMMJ, under her company Radio One and in 1995, her third radio station WKYS. Four years later, Radio One became a publicly traded company and listed on the NASDAQ stock exchange. To this day, Radio One is the largest urban radio network with over 70 broadcasts in 13 markets, 17 million weekly listeners, 1 million annual local event attendees and 5 million app starts. Radio One owns radio stations across Urban America, including but not limited to Atlanta, Baltimore, Cleveland, Houston, Philadelphia, Richmond and Washington, DC.

My journey into Radio One began in 2011 after serving as the President and CEO of the Columbus, Ohio affiliate of the National Urban League. With a background in business administration, I was brought into Radio One leadership to serve as the Vice President and General Manager of the Columbus market. After two years in Columbus, I was asked to serve as the Vice President and General Manager of the Cleveland market. Since 2015, I have served in my current role as the Regional Vice President of all Radio One markets in Ohio, inclusive of the Cincinnati, Cleveland and Columbus markets. In this role, I lead and manage the market operations for four stations in Cincinnati (The Wiz 101.1, 100.3 Cincy's R&B Station, La Grande 101.5, The Buzz WDBZ AM), four stations in Cleveland (93.1 FM WZAK, Praise 94.5, Z 107.9, 1490 News Talk) and four radio stations/two Low Power TV stations in Columbus (La Grande 102.5, Magic 95.5, Joy 107.1, Power 107.5 and 106.3, Telemundo, and Urban One TV). Additionally, I still serve as the General Manager of the Cleveland market, leading the day-to-day operations.

I have been fortunate to serve in a variety of community and leadership roles based on my experience with local radio broadcasting. Just this month, I was appointed to serve on the National Association of Broadcasters' Radio Board. Additionally, I serve as the Vice Chair of the Ohio Association of Broadcasters (OAB.) Established in 1937, OAB is one of the nation's oldest broadcast associations. The mission of OAB is to protect the ability of free over-the-air radio and TV stations to operate their businesses

and serve their local communities including Ohio's 11.7 million residents located in areas from Lake Erie to the Ohio River and all the cities, towns and villages in between. In addition to my service with OAB and NAB, I continue to serve on the Board of Directors for The Greater Cleveland Sports Commission and the Ohio Debate Commission.

Radio stations provide a unique service to everyday Americans. At Radio One, not only are we the source for the latest music in R&B, Hip Hop and Gospel, but also the place that listeners turn to for entertainment, inspiration and information. We pride ourselves on being the largest distributor of urban content and the leading voice speaking to Black America on the radio. "We Inform. We Inspire. We Entertain." For example, several celebrity personalities and talk radio personalities have programming on Radio One – including but not limited to Rickey Smiley, D.L. Hughley, Incognito, and Willie Moore, Jr. In the Columbus, Ohio market, our listeners enjoy waking up to the commentary of The Morning Hustle, Leah, and DJ Nailz who inform them about the happenings of Black America and news from around the world.

Not only does radio provide an invaluable source of daily news and entertainment, but it also provides pertinent information in the case of natural disasters, providing our listeners with real-time information on where to seek shelter and receive food, resources, and other updates. We also serve as a trusted voice during periods of civil unrest. For example, in Cleveland, Ohio, we have consistently served as conduit of communication between the Mayor, Police Chief and the general public. The previous Mayor met with our local DJ's to take the pulse of the community, resulting in our local DJ's playing a key role in minimizing the civil unrest. Our ability to connect as a trusted voice in times of public emergencies is vital in all of our markets.

Speaking of community, radio stations across the country provide an unmatched opportunity for organizations, businesses and nonprofits to publicize their events on a local level. Radio One understands how tough it is to promote an event in a changing public affairs landscape. For this reason alone, if there is a 501 (c)(3) non-profit

organization hosting a free community event, we allow organizations to submit a request for free promotion on our local radio airwaves and websites. Our stations serve as the voice of the community for information for parents seeking resources for their families, individuals looking for information on local career fairs, and residents looking to have their voice heard at an elected official's townhall meeting.

I'd be remiss if I did not mention the local community events powered by Radio One that provide listeners and fans with the ability to engage with the best talent across the United States. In Atlanta, Hot 107.9 is known for its annual festival better known as "Birthday Bash." This live event is one of America's largest Hip Hop festivals and puts a spotlight on new and upcoming artists. Artists who have performed at Birthday Bash include homegrown Atlanta artists like Usher – who just graced the country with an electrifying performance at the Superbowl – as well as Ciara, Ludacris and Outkast. For gospel music fans in Atlanta, they can experience Praise 102.5's Praise in the Park, one of the largest outdoor inspirational events in the country, also powered by Radio One. Several top gospel hitmakers who have graced the stage include Tasha Cobbs Leonard, Michelle Williams from Destiny's Child, Isaac Caree and Myron Butler.

I am proud of the real-life partnership that exists between radio and the recording industry. Broadcasters around the country are known for putting the spotlight on new, upcoming artists, and therefore serving as an integral part of artist promotion. Through local radio stations, the recording industry and their artists receive free advertising for their product. NAB and economists have long estimated that in turn, that advertising results in the generation of over \$2 billion annually in revenue from music sales, ondemand streams, concert tickets and merchandise. No other industry receives that type of free promotion that results in revenue like the recording industry receives. I often tell the story about a little-known upcoming trio who performed in Cleveland, Ohio at Z107.9 Summer Jam in 2014. Before they performed, I had not heard of Migos. However, after their performance at Summer Jam, everyone in Cleveland, and then the world, soon experienced the generational Hip Hop talent of Quavo, Offset and the late great

Takeoff. That is just one example that illustrates the power of the collaboration between radio, the recording industry and free promotion.

Radio broadcasters are mandated by the Federal Communications Commission (FCC) to be free, unlike streaming services that are allowed to charge users a subscription fee. What's more, broadcasters incur a number of fees — both fees that are distributed to songwriters and artists and other fees that keep the station up-to-date and in compliance with our regulators. As a radio broadcaster, our business model is based on advertising revenue in which there is no set fee or guarantee. This is particularly concerning given the increased competition for advertising in the media marketplace from streaming services and other big tech platforms. As the years progress, radio station advertising continues to decrease while other fees increase. The changing marketplace has been devasting for stations who are struggling to stay open, pay their bills and hire employees in an industry and environment that is still reeling from the devasting impact of a global pandemic. Enacting a performance fee would upset the enriching business relationship that local radio stations have with the recording industry, resulting in less music being played on the radio, therefore creating harm to listeners and consumers.

That is why I am an ardent supporter of the Local Radio Freedom Act, introduced by Rep. Steve Womack (AR-03) and Rep. Kathy Castor (FL-14). This resolution declares that Congress should not impose any new performance fee, tax, royalty or other charge relating to the public performance of sound recordings on a local radio station for broadcasting sound over the air. This bipartisan piece of legislation is cosponsored by the majority of the House of Representatives and has overwhelming support from all 50 state broadcast associations, including OAB.

In conclusion, I encourage this Subcommittee to not mandate a performance tax that would jeopardize local radio stations and prevent them from employing local staff, keep upcoming artists from breaking into the recording industry and create harm for

Americans across the country who rely on local radio for news, entertainment, talk, sports and reliable information.

Thank you for inviting me to testify today. I look forward to answering your questions.