



September 20, 2010

The Honorable John D. Rockefeller IV  
Chairman  
Senate Committee on Commerce,  
Science and Transportation  
254 Dirksen Senate Office Building  
Washington, DC 20510

The Honorable Henry Waxman  
Chairman  
House Committee on Energy &  
Commerce  
2125 Rayburn House Office Building  
Washington, DC 20515

The Honorable Kay Bailey Hutchison  
Ranking Member  
Senate Committee on Commerce,  
Science and Transportation  
560 Dirksen Senate Office Building  
Washington, DC 20515

The Honorable Joe Barton  
Ranking Member  
House Committee on Energy &  
Commerce  
2322A Rayburn House Office Building  
Washington, DC 20515

Dear Chairmen Rockefeller and Waxman and Ranking Members Hutchison and Barton:

As you may know, the Senate and House Judiciary Committee leadership recently received a letter from wireless phone carriers and electronics manufacturing representatives expressing their opposition to a draft proposal that would give mobile phone subscribers access to the free entertainment and lifeline services provided by America's local radio broadcasters. As the Committee of jurisdiction over the issue of radio chips in wireless devices, we write you today to correct and clarify the record regarding the important consumer benefit that could be derived from unlocking the mobile phone market and granting consumer access to radio's free and unique offerings. Such pro-consumer action would provide Americans with valuable public safety information during times of crisis while simultaneously expanding the reach and promotional exposure role of broadcast radio.

From the outset, we must correct the inaccurate statement asserted by our critics in their letter last month, which held that "consumers are abandoning" free, local radio. That claim is simply not true. In fact, free and local radio's weekly audience has *increased* by seven million listeners age 12 and older in the last year, according to Arbitron, the ratings company responsible for tracking radio listenership. Any claim that radio is dying, declining or losing listeners holds no merit.



With a growing weekly audience of 239 million listeners age 12 and older, radio's reach is unparalleled. Radio's strength and popularity benefits not only recording artists and record labels in their promotional efforts, but it also serves as a crucial lifeline during times of emergency and crisis.

As "NBC Nightly News" anchor Brian Williams reported just days after Hurricane Katrina made landfall five years ago, "In this area, radio stations have been offering hope and help after this storm. They have become a vital part of this community -- part bulletin board, part voice of the people -- relaying all kinds of news from the disaster zone 24-hours-a-day from hot studios."

Americans ought not be denied access to such a pivotal lifeline service. And while consumer electronics manufacturers may claim there is a "lack of demand," a recent survey indicates otherwise. According to a nationwide Harris Interactive online survey of more than 2,000 adults, 76 percent indicated a willingness to pay a small one-time fee that would cover the costs of a built-in radio chip on their mobile phones. Seventy-three percent said having a radio-capable cell phone would be "somewhat" or "very" important during an emergency.

From a global perspective, it's expected that there will be roughly 700 million FM-capable cell phones on the market by next year, representing 45 percent of all active cell phones. A 2008 study found that 45 percent of mobile phone users in Latin America and Asia cite AM/FM radio as one of their top three reasons for purchasing a mobile phone, making the feature more popular than Internet access, texting and a camera function.

Despite such global demand, much of the U.S. cell phone market remains founded upon exclusive contracts between consumer electronics manufacturers and mobile phone carriers, and consumers are being denied access to radio's free services on many mobile phone devices for competitive reasons. Cell phone providers apparently would rather reap the revenue of data-intensive, fee-based streaming apps than offer consumers a free and local alternative.

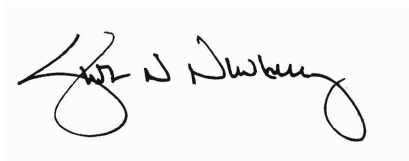
It's worth remembering that the Warning Alert and Response Network (WARN) Act, signed into law nearly four years ago, established a process by which cell phone providers volunteered to devise a system for reaching their subscribers during times of emergency. The cell phone industry's answer to date has been a text-based system limited to 90 characters, *which has still not yet been deployed*. And while the mobile phone industry has continued to delay the launch of their text-based emergency alert

system, citizens across the country have weathered numerous natural and terrorist-related disasters including the Virginia Tech shooting, the California wildfires, the devastating floods in Iowa and Tennessee, the massive snowstorms that incapacitated Washington, D.C. just this past winter, and the Time Square bomb threat.

Even if such a text-based solution were deployed, consumers would be limited to a 90-character text message that lacks the detail routinely provided by local radio stations during an emergency.

In the end, this is an issue of consumer access. Americans deserve better choices than what is being offered by gatekeeper mobile service providers. The demonstrated demand for radio-capable cell phones, coupled with local radio's role as a lifeline service during times of crisis, are considerations we hope you will take into account as this debate continues.

Regards,



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Chair, Joint Board of Directors  
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