

STATEMENT OF CONGRESSMAN RICK BOUCHER

Subcommittee on Communications, Technology and the Internet Hearing on Reauthorization of the of the Satellite Home Viewer Extension and Reauthorization Act

February 24, 2009

The subcommittee will come to order.

On the occasion of the first hearing of the Subcommittee in this Congress, I want to welcome all members and encourage each member to share with me your ideas for matters that should be placed on our agenda.

It is my determination that the Subcommittee will operate in a bipartisan manner, and I intend to consult colleagues on both sides of the aisle about each matter the Subcommittee will address.

So please give some thought to what you would like for the Subcommittee to achieve and share those suggestions with me.

The full agenda is still under construction, but I can announce today that our next hearing will be on March 12 during which we will begin our work on universal service reform, a subject on which I hope to report legislation in the coming months.

And after March 12, our hearing pace will accelerate.

This Subcommittee has a long standing bipartisan tradition, and over two decades I have enjoyed an ongoing partnership across a range of issues with the ranking Republican member of the Subcommittee, Mr. Stearns. We have been the lead sponsors of privacy legislation in past years, and in this Congress we will be doing so again.

I welcome Mr. Stearns and the long experience with information technology policy he brings to the position of ranking member, and I look forward to our work together.

Today the Subcommittee takes the first step in reauthorizing the Satellite Home Viewer Act, which sets forth the terms pursuant to which satellite carriers retransmit distant signal broadcast programming. Certain provisions of the Communications and Copyright Acts expire at the end of this year, making reauthorization must-pass legislation.

This year marks more than two decades since Congress created the distant signal compulsory copyright license in 1988 and 10 years since it created the local-into-local compulsory license in the 1999 Satellite Home Viewer Improvement Act. Since 1988, direct broadcast satellite (DBS) has grown to be a robust competitor to cable. Today, nearly one-third of all homes subscribing to a multichannel video programming service choose a DBS provider, and DirecTV and EchoStar are the second and third largest multichannel video programming service providers in the nation, respectively. This increase in a competitive video programming marketplace would not have been possible absent Congress's actions.

Let me state at the outset my desire that Congress proceed with the reauthorization before us in the most straightforward manner possible. I do not wish for us to get caught up in collateral matters like retransmission consent reform that are relevant to all multichannel video platforms, not just satellite.

However, there are a couple of matters that I do not think we can avoid discussing. One is whether satellite carriers should provide local service in all 210 designated market areas (DMAs) nationwide as a condition of relying on the Section 122 local-into-local compulsory license. As I mentioned earlier, the Section 122 license was created ten years ago. At that time, due primarily to the severe capacity constraints faced by satellite carriers in part because spot-beam technology had not yet been widely deployed, Congress allowed satellite carriers to roll out local service on a market-by-market basis. As a result, today DirecTV relies on the Section 122 license to offer local service in 150 markets, while DISH provides local service in 178 markets; however, about 30 markets remain without any local service at all.

Most of the DMAs that lack local-into-local service are in rural areas like my district, and in fact, constituents in one of the four DMAs in my district still cannot get their local stations via satellite. I am reacquainted with this fact quite often since the residents of that DMA have not been shy about expressing their displeasure about the lack of local service from either DBS provider. While I understand that the numbers of subscribers in these areas are small, these households, which often cannot receive local signals over-the-air because the DMAs in which they reside are large or the terrain is challenging, are vocal in expressing their view that they should have the same opportunities to receive local programming as those who live in more densely populated regions.

Another matter for discussion is whether residents in one DMA should be able to receive broadcast programming from an adjacent DMA. DMAs in 45 states straddle state lines, which means that residents in one state are assigned to a DMA located primarily in a neighboring state. For many in that situation, the local news, sports and public safety information they receive from the stations in their assigned DMA is less relevant to them than the information provided by stations in an adjacent DMA. One possible arrangement

would be to allow for the provision of adjacent market signals in such situations, provided the subscriber also can elect to receive the in-market signals as part of a local signals package.

In past years, the law has been modified to allow adjacent market signal retransmission in certain specified markets. Today we begin a discussion about the potential of enacting a general rule on adjacent market signals for situations where DMAs straddle state lines.

The Energy and Commerce Committee and the Judiciary Committee share jurisdiction over the Home Satellite Viewer Act, and as a member of both Committees, it is my desire that the Committees work closely together and create a common text which both Committees can process. In fact, the Judiciary Committee has its first hearing on the reauthorization tomorrow.

I welcome today's witnesses and thank them for sharing their views with us.