

Testimony of
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On the
“Future of Radio”
Hearing

Senate Commerce Committee

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Chairman Inouye, Senator Stevens and members of the committee, it is an honor to testify before you today at such a crucial hearing.

My name is Mac McCaughan, and I'm the co-founder of Merge Records, an independent record label based in Chapel Hill, North Carolina, that has released over 300 albums from the 60 bands on our roster over the past 20 years. I'm also a musician and a songwriter, with 11 full-length records released by my band Superchunk, and 6 albums I've recorded under the name Portastatic.

Radio has always been very important to me. In fact, it has a lot to do with why I sit here today. Unlike any other medium, radio fosters a direct relationship between music and the listener. As a kid I went to sleep and woke up to the radio in an era when – even on album rock radio – the DJ was playing his or her favorite new records. Then, at the age of 12, college radio exposed me to music that I had never heard on top 40 or album rock stations. The music I discovered then set me on the course of making music myself and starting a record label. And since that time, as both a performer and a label owner, I have relied on radio as an essential component of the work we do helping audiences learn about our music.

I come here today to offer my perspective on the current state and possible future of broadcasting, and to urge you to adopt policies that encourage localism, competition and diversity on the airwaves.

First, I'd like to talk about the value of community-based and non-commercial radio. Low-power, college, NPR and other non-commercial broadcasting enterprises are extremely important today, especially as local information and entertainment options become scarcer. Commercial radio is about aggregating the largest possible number of listeners in a targeted demographic. Community-based radio is about serving its audiences. It has the unique power and the desire to be a conduit for news and culture, and is essential to the diversity that defines cultural life in this country.

As a record label owner, I can tell you that non-commercial radio has been a leading source of support for our label's music. We would not have had the chance to introduce many of our artists to music listeners -- and build such a dedicated customer base -- without the help of non-commercial radio. Broadcasters such as KEXP, KCMP, KCRW, WXPB and North Carolina's own WXYC and WXDU continue to program a wide variety of independent and local music, on the dial, in the community and on the web. For a label like ours, and many other musicians out there, the support of non-commercial radio, which is programmed by people as passionate about music as we are, is essential.

Congress should take action to allow for the growth of non-commercial radio, and the expansion of Low Power FM into more urban settings. In 2000, Congress passed legislation to limit the FCC's ability to issue non-commercial Low Power FM radio licenses in more populated communities across the country. Lifting this ban once and for all will lead to a significant expansion of community-based stations that will prioritize local and independent content and news, not to mention programming that highlights kinds of musical genres that are routinely ignored by commercial radio.

I also want to urge this committee to take the necessary steps to ensure that our media landscape does not become even more consolidated. The deregulation that followed the 1996 Telecommunications Act allowed for unprecedented consolidation in commercial radio, which has resulted in a homogeneity that is often out-of-step with artists, entrepreneurs, media professionals and educators — not to mention listeners.

Back before the Telecom Act, the commercial radio industry was much more competitive, with deejays and programmers in markets around the country eager to play new music. This big piece of rock history is no longer, as corporate radio's sense of adventurism, localism and risk-taking is a thing of the past. Nowadays, you are much more likely to hear new independent music in a TV show, in a car commercial, in a video game, on satellite radio or community radio stations than on commercial radio. Although

label owners, artists and listeners would be thrilled to hear more indie music on commercial radio, in most cases, the chance simply does not exist.

Let me give you specific examples from our experience at Merge. In 2007, two of the albums we released – by the bands Arcade Fire and Spoon – both debuted in the Billboard Top Ten. They appeared on *Saturday Night Live*. The mainstream print media has written extensively about them, and both bands tour the world, playing highly successful, sold out concerts. Yet both of these bands have been virtually absent from the commercial airwaves.

Instead, it's been non-commercial radio that has played a leading role in helping these bands reach a mainstream audience, just like it does with the majority of our other artists, bands like Camera Obscura, M. Ward, The Clientele and The Rosebuds. Because the independent music community's business model focuses on selling tens of thousands of albums instead of millions, Merge and other independent labels can rely on a combination of non-commercial radio and the internet for promotion and distribution. But if Congress and the FCC implement policies that open up commercial radio for independent artists and labels, it could change the economics of the independent sector and the culture at large.

It's been widely reported that the FCC is considering altering the media ownership rules again and loosening the local ownership caps to allow major radio groups to buy even more stations in each market. No matter what your tastes in entertainment or news, if you value localism, competition and diversity, Congress and the FCC must recognize that further deregulation is not the answer.

Finally, I'd like to talk about the value of the internet. Given that Merge Records and artists we represent have had little access to commercial radio, the internet has become a powerful new platform through which we can promote, distribute and sell our music. Credit must go to non-commercial broadcasters and NPR, which are leading the way in using technologies to offer new content delivery methods such as webcasting and live

concert feeds, in addition to their regular programming, but that's not all. An exciting range of emerging technologies such as internet radio, satellite radio, music subscription services, digital music stores and new webcast services like Mog, Pandora and Last.fm that have expanded the opportunities for independent bands and labels worldwide. Not just our label, but *any* label and artist should have the benefit of competing on an equal playing field, as new technologies emerge that help musicians connect with audiences. An internet based on the principles of network neutrality allows these experiments in commerce and technology to grow. Any policy decision that enables the reestablishment of old bottlenecks or creates a tiered internet would be a tremendous step backward.

To conclude, artists who thrive outside of the commercial realm depend on and deserve open access to public platforms such as the airwaves and the internet. Likewise, communities and citizens should have access to localized and diverse media. This is not just a means of doing business, but also an important facet of American life that needs to be nurtured and protected.

I want to thank Chairman Inouye and the members of this committee for taking the time to consider the issues surrounding community access to broadcasting and other important media concerns. It is my hope that those involved in the decision-making on these issues can take something from the statements I have made. Thank you for inviting me to testify today. I will be happy to answer your questions.