

market. So we want to address that as well.

We want to have the opportunity to do away with excessive advertising, use more of the unadvertised brands and drop the prices for people. We also want to open the border to Canada where right now one can buy prescriptions at half the price.

The final thing on our agenda is to support those States that are creatively looking for ways and acting to lower prescription drug prices for their citizens. About 30 different States, including my home State of Michigan, are developing ways to lower prices, some very creatively.

In Maine, for example, they have developed a policy where if someone is doing business and they have a Medicaid contract for prescription drugs, then they are requiring that same discounted price be provided that is provided to the State through Medicaid to those who do not have insurance but are not on Medicaid. So they are using their clout as purchasers to be able to lower prices, and they are being sued. Not surprisingly, a drug company lobby is suing all of the States that are doing that.

The final bill I have introduced is called the RX Flexibility for States bill, which would make it clear that States have a right to develop innovative programs to lower prices for their citizens and to use the Medicaid purchasing power as a part of that.

In conclusion, let me say we have a plan. As the Presiding Officer knows, because he is one of the key leaders on our Medicare plan, we have a Medicare plan. We have proposals to lower prices. We have a plan that will make sure our seniors and our disabled have what they need in lifesaving medicine. We will make sure small businesses can count on us to do something to lower prices for our farmers, our families.

I call upon colleagues to join as quickly as possible to put this plan in action. Again, I invite all citizens listening today to join [www.fairdrugprices.org](http://www.fairdrugprices.org). Get involved. Put the people's voice in this debate. I know we will be able to get something done.

I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. REID. Mr. President, I ask unanimous consent I be allowed to use the remainder of the time in morning business. I see no one here from the minority.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

REMEMBERING DR. BARNETT SLEPIAN AND CONDEMNING ANTI-ABORTION VIOLENCE

Mr. REID. Mr. President, after the attacks against our country on September 11th and with ongoing violence in the Middle East, we have taken steps to remind Americans that not all Arabs and not all Muslims are terrorists. And it is important to remember that not all terrorists are Arabs or Muslims.

Terrorism is not an ideology linked to any particular religion, race, or nationality; rather it is a tactic, a method deliberately chosen by those who reject peaceful means of promoting their cause and instead turn to violence. Obviously not all terrorists share the same goals—indeed, there are many cases where terrorists with diametrically opposed views are fighting against one another.

But terrorists seem to hold in common a belief that they are above the law and a common disregard for human life.

Unfortunately, we have homegrown terrorists right here in America:

People like Timothy McVeigh who bombed the Federal building in Oklahoma City and whoever is responsible for the anthrax attacks of last year.

America has also been plagued by numerous acts of violence by extremists in the anti-abortion movement. One of their victims was Barnett Slepian, a husband and a father of four. He was killed in his family's home in Buffalo, New York 3½ years ago shortly after returning from synagogue where he had gone to mourn his father's death.

Barnett Slepian was a gynecologist and obstetrician. He provided health care to women and delivered babies. And he also performed abortions at a downtown clinic, because he wanted to make sure that even poor women had access to safe, legal procedures. Because of this he was killed.

I didn't know Dr. Slepian, but I learned after his death that he was the uncle of a woman from Reno, Nevada who worked for me here in Washington.

Dr. Slepian's killer is not only a cold-blooded murderer, but should also be seen as a terrorist. The man police have identified as responsible for killing Dr. Slepian was recently extradited from France where he had fled. His name is James Kopp.

Kopp has been indicted for the shooting of a doctor in Canada and is a suspect in 3 other shootings of doctors who provided abortions. While Kopp alone might have pulled the trigger and fired the shot that killed Dr. Slepian, we have learned that he was part of an organized network of violent extremists, including a group that calls itself the Army of God. (Imagine that a group would invoke the Lord's name and believe that God sanctions their lawless violence. And this group of murderers professes a respect for life!)

This group and others similar to it have engaged in a long campaign of harassment, intimidation, and vio-

lence. Their crimes include kidnaping, bombing, arson, assault and murder. They have targeted health clinic employees, judges and other officials. And not only have they attacked and killed doctors, but they have also threatened the doctors' children. These groups have hosted Web sites that post the names, addresses, license plate numbers of doctors and others on hit lists and even put up pictures of their targets' family members and identify where their children catch the school bus.

Fortunately, the 9th Circuit Court of Appeals ruled just last month that targeting specific doctors in this way constitutes an illegal threat, and found those responsible for the Web sites in violation of the Freedom of Access to Clinic Entrances Act. I applaud the court's ruling, and I am pleased that the FACE legislation we passed has helped protect Americans. But we must remain vigilant and continue to take appropriate action to prevent extremist groups from terrorizing victims. Their intention is to intimidate and threaten, and sometimes they succeed as some doctors have given up their practice due to the emotional stress and constant fear they faced.

Dr. Slepian courageously endured threats for over a decade before he was murdered. We must have the courage to condemn the violent extremists in the anti-choice movement. Those who kill and commit other heinous acts to express their opposition to abortion do so with the support of many others people who fund their crimes, aid and abet them, harbor fugitives. Others help create a climate that encourages this violence through their hateful speech or by remaining silent.

We cannot remain silent. We must say loudly and unequivocally that murder is wrong.

America is a nation of laws. I believe in following the law. You might not always agree with the law or how it is interpreted. But that does not entitle you to willfully violate it without consequences. America instead offers you an opportunity to seek to change the law through peaceful means.

We express policy differences civilly through discourse and resolve them through the political process, not through violence. Here in the Senate we debate passionately, but in a manner of respect and civility, and attempt to persuade others of the merits of our positions.

Those who resort to violence are violating not only our laws but our American principles and values.

We in the Senate must identify them as terrorists. The American people must recognize them as terrorists. And law enforcement officials must treat them as terrorists—for that is what they are.

I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The senior assistant bill clerk proceeded to call the role.

Mr. FEINGOLD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. FEINGOLD. Mr. President, I ask unanimous consent to speak as if in morning business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. FEINGOLD. I thank the Chair.

Mr. FEINGOLD. Mr. President, I rise today to voice my concerns about the concentration of ownership in the radio and concert industry and its effect on consumers, artists, local businesses, and ticket prices.

I will be introducing legislation to address these concerns in the coming weeks, but wanted to make my colleagues aware of the seismic changes that have taken place in the radio and concert industries following the passage of the Telecommunications Act of 1996.

During the debate of the 1996 Telecommunications Act, I joined a number of my colleagues in opposing the deregulation of radio ownership rules because of concerns about the impact on consumers, artists, and local radio stations.

Passage of this act was an unfortunate example of the influence of soft money in the political process. As my colleagues will recall, I have consistently said that this act was really in many ways bought and paid for by soft money. Everyone was at the table, except for the consumers.

In November, we will finally have rid the system of this loophole, but we must repair its damage.

In just 5 years since its passage, the effects of the Telecommunications Act have been far worse than we imagined. While I opposed this act because of its anticonsumer bias, I did not predict that one provision would have caused so much harm to a diverse range of interests.

The provision I am referring to is the elimination of the national radio ownership caps and relaxation of local ownership caps, which has triggered a wave of consolidation and caused harm to consumers, artists, concert goers, local radio station owners, and promoters.

To put the changes of the 1996 act in perspective, it is helpful to compare them to other moves towards deregulation of radio ownership that began in 1984.

In 1984, there were limitations on the total number of radio stations that one company could own nationally and locally, and how long a company had to hold a station before being allowed to sell. That year, the ownership regulations were changed to allow one entity to own 12 AM stations, 12 FM stations and 12 television stations—an increase from 7 to each type a year earlier.

The Federal Communications Commission again loosened the ownership requirements in 1992 by allowing one

company to own up to two AM and two FM stations in a specific market, so long as they did not account for more than 25 percent of the total listening audience. The national ownership limits were also raised to 18 AM and 18 FM stations.

This change brings us to the seismic shift that shook up the radio and live concert industries across the country—the passage of the 1996 Telecommunications Act.

This legislation did not simply raise the national ownership limits on radio stations—it eliminated them altogether. It also dramatically altered the local radio station ownership limits through the implementation of a tiered ownership system which allowed a company to own more radio stations in the larger markets.

The highest range was in the largest markets, those with 45 stations or more. In those markets, one group could own up to eight stations, with no more than five in either AM or FM. The strictest limit was in the smallest markets with less than 15 stations, where one entity could own five stations, but only three in any one service.

This change was not beneficial to consumers or local radio station owners or broadcasters. It simply led to a number of national super radio station corporations that now dominate the marketplace, and allegedly engage in anticompetitive business practices.

The concentration levels of radio station ownership, both across the United States and in most local markets, is staggering.

In 1996, prior to the passage of the Telecommunications Act, there were 5133 owners of radio stations. Today, for the contemporary hit radio/top 40 formats, four radio station groups—Chancellor, Clear Channel, Infinity, and Capstar—just four control access to 63 percent of the format's 41 million listeners nationwide. For the country music format, the same four groups control access to 56 percent of the format's 28 million listeners.

The concentration of ownership is even more startling when we look at radio station ownership in local markets.

Four radio station companies control nearly 80 percent of the New York Market. Three of these same four companies own nearly 60 percent of the market share in Chicago. In my home State of Wisconsin, four companies own 86 percent of the market share in the Milwaukee radio market.

Let me repeat, four companies control 86 percent.

The list continues in almost every market across the United States. The concentration of radio station ownership by a few companies is mind boggling, and its effect on consumers, artists and others in the music industry is cause for great concern.

Many of the same corporations that own multiple radio stations in a given market wield their power through their

ownership of a number of businesses related to the music industry. For example, the Clear Channel Corporation owns over 1200 radio companies, more than 700,000 billboards, various promotion companies, and venues across the United States. Also, just three years ago, in 1999, Clear Channel bought SFX productions, the Nation's largest promotion company.

A national group of organizations, recently joined together to voice many of the same concerns that I have heard from my constituents in Wisconsin—that the high levels of concentration are hurting the entire industry.

This coalition of artists, labor groups, small businesses, and radio companies recently released a joint statement that expressed a number of concerns about the levels of concentration and the anticompetitive practices.

These concerns included that a corporation that owns radio stations, promotion companies and venues has a conflict of interest in terms of promoting its own concerts and tours on its radio stations over those of any competition.

They are also concerned about a corporation's interest in limiting the promotional support of bands and artists that are performing for other companies, performing at other venues or sponsored by other stations.

Mr. President, I ask unanimous consent that a joint statement by this group be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER (Mr. NELSON of Nebraska). Without objection, it is so ordered.

(See exhibit No. 1.)

Mr. FEINGOLD. After I began looking into the consolidation trends, I was taken aback by the diverse range of people that expressed concerns about the effects of concentration and consolidation. Concert goers talk all the time about higher ticket prices.

Broadcasters, artists, and others in Wisconsin and across the country have told me about reduced diversity and local input in the music industry. And local businesses have spoken about anticompetitive behaviors that have put them on an unfair playing field.

Following the passage of the Telecommunications Act, and the resulting vertical concentration, a number of trends have emerged. Ticket prices have gone through the roof, during the same period in which a few companies consolidated ownership of radio stations, promotion companies, venues, and advertising.

This chart compares ticket prices during the period of consolidation following the 1996 act with the preceding 5 year blocks of time. Before the passage of the 1996 act, ticket prices rose slightly faster than the Consumer Price Index.

For example, from 1991 to 1996, concert ticket prices grew by about 21 percent, compared to the consumer price index increase of about 15 percent. Following the Telecommunications Act of

1996, however, ticket prices have increased almost 50—50—percentage points more than the Consumer Price Index. From 1996 to 2001, concert ticket prices grew by more than 61 percent, while the Consumer Price Index increased by only 13 percent.

Ticket prices have gone up by nearly 50 percentage points more than consumer prices since passage of the Telecommunications Act, and that doesn't even include the facility fees, parking charges, box office charges, or food and beverage increases.

I think we have to look into allegations that consolidation in the radio industry has triggered anticompetitive practices and raised ticket prices.

A broad coalition, including the American Federal of Television and Radio Artists, has also expressed concerns that consolidation in the radio industry has led to reduced diversity and competition in local markets.

As corporations buy stations in the same market, they combine newsrooms and reporters and share playlists and radio personalities—all with the same effect: less choice in music and less information for consumers.

Radio airwaves are public property. Unlike other business ventures, radio stations have acquired their distribution mechanisms—the airways—without any expenditure of capital. They were given access to the broadcast spectrum by the Government for free.

Since 1943, Congress and the Federal Communications Commission have tried to ensure that this medium serves the public good, but limiting access to information and diversity on the radio does not achieve this.

I have also heard concerns from artists and radio stations about how the vertically concentrated radio corporations leverage their market-power to shake down the music industry in exchange for playing their music.

As my colleagues are aware, payola—the practice of paying money to get music played—has been prohibited under Federal law since the 1960s. I have heard a number of concerns, however, about the alleged tendency of some owners of multiple radio stations to shake down the music industry.

Mr. REID. Will the Senator yield for a question?

Mr. FEINGOLD. Yes.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. I will ask a question.

Mr. President, I ask unanimous consent morning business be extended until the Senator from Wisconsin finishes his statement, which should be a couple, 3 more minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. I have a question for my friend.

I have been listening to the Senator from Wisconsin. I think maybe there is one thing these people who own all this stuff have missed, and that is the parking lots. They own about everything else.

Mr. FEINGOLD. I am not certain they missed that.

Mr. REID. You have not mentioned that.

Mr. FEINGOLD. I am still checking into all the different aspects.

Mr. REID. To go to a concert, you need a place to park, right?

Mr. FEINGOLD. I am sure they will get to it if they haven't.

They are able to achieve this shake-down, it is said, by establishing exclusive agreements with independent promoters that collect a fee in exchange for access to the airwaves.

I am very troubled by these allegations. If true, they mean that artists that can't, or don't, pay these independent promoters will not be able to get access to the airwaves. Artists should not be required to pay for access to the airwaves. I am continuing to investigate these allegations of a new shakedown, but if they are true, this practice should be prohibited.

Finally, I am deeply disturbed about concerns that have been voiced by individuals and local businesses—promoters, radio station owners, and artists—that have been forced out of the business or have been put on an unfair playing field as a result of the concentration of market power caused by the deregulation of the 1996 act.

These are local promoters and businesses who have succeeded through economic downturns, recessions and many other challenging times. But when placed on an unfair playing field, they are being pushed out of the market.

Radio is a public medium and we must ensure that it serves the public good. The concentration of ownership, both in radio and the other facets of the concert industry, has caused great harm to people and businesses that have been involved and concerned about the radio and concert industry for generations.

It also harms the flow of creativity and ideas that artists seek to contribute to our society. This concentration does a disservice to our society at every level of the industry, and it must be addressed.

This is about the very freedom of radio as a medium. Radio is one of the most important media we have for exchanging ideas and expressing our creativity. But that free exchange of ideas often isn't free anymore—if you want to get played, often it's going to cost you. And if you can't afford it, then you might not get heard at all.

Being able to hear a variety of voices is fundamental to a free society. Concentration in the radio industry is diminishing the number of voices that get heard. And that risks diminishing our freedom.

It isn't just about who is talented, and who deserves to be played. It is about a shakedown, and that is just unacceptable for the industry, for the artist, and for all of us who listen.

While we took a step forward in reforming the campaign finance system

earlier this year, we must fix the problems that the soft money loophole caused—including the gaping flaws of the Telecommunications Act that have hurt competition in the radio and concert industries.

In the coming weeks, I will be introducing legislation to address the concerns about concentration and anti-competitive practices that have resulted from the Telecommunications Act. I hope my colleagues will join me in this effort.

Mr. President, I just want to alert my colleagues to this trend, and we will introduce legislation to deal with it. I am convinced the complaints I have heard from such a wide variety of Wisconsinites are the same concerns being raised in all the States in this country, and I look forward to submitting a proposal and a bill to my colleagues.

I yield the floor.

EXHIBIT No. 1

JOINT STATEMENT ON CURRENT ISSUES IN RADIO, MAY 24, 2002

We are a diverse coalition representing performing artist groups, labor, record labels, merchandisers, songwriters, community broadcasters, consumers and citizens advocates. We urge the government to revise the payola laws to cover independent promotion to radio, to investigate the impact of radio consolidation on the music community and citizens and to work to protect non-commercial space on both the terrestrial radio bandwidth and the emerging webcasting models.

Radio is a public asset, not private property. Since 1934, the federal government, through the Federal Communications Commission, has overseen the regulation and protection of this public asset to create a communications medium that serves the public interest. Unlike other businesses, radio stations have acquired their distribution mechanism—the airwaves—without any expenditure of capital. The public owns the airwaves. Owners of broadcast stations were given access to the broadcast spectrum by the government for free. The quid pro quo for free use of the public bandwidth requires that broadcast stations serve the public interest in their local communities.

However, it has become clear that both recording artists and citizens are negatively impacted by legislation, regulatory interpretations and by a number of standardized industry practices that fail to serve the public interest. We call on the Federal Communications Commission (FCC) to undertake a comprehensive review of the following aspects of the radio industry that are anti-artist, anti-competition and anti-consumer. Further, we call on Congress to be vigilant in their oversight of the FCC to ensure the public interest is being upheld in regards to radio.

Specifically:

1. We request that payments made to radio stations which are designed to influence playlists (other than legitimate and reasonable promotional expenses) be prohibited, unless such payments are announced over the air, even when such intent is subtle and disguised. This includes payments made through independent radio promoters.

2. We request an investigation of the impact of recent unprecedented increases in radio ownership consolidation on citizens and the music community.

3. We request an examination of the way vertical integration of ownership in broadcasting, concert promotion companies and venues decreases fair market competition for artists, clubs and promotion companies.

4. We request that policies that protect non-commercial space in the radio bandwidth and in the emerging webcasting models be enacted, securing the benefits of programming diversity for the music community and citizens.

#### BACKGROUND

##### Pay for Play and Independent Radio Promotion

Payola—the practice of paying money to people in exchange for playing a particular piece of music—has a long history in the music industry. The practice didn't garner much public attention until the late 1950s and 1960s when rock and roll disc jockeys became powerful gatekeepers who determined what music the public heard. Federal laws were passed starting in the 1960s that forbid the direct payment or compensation of disc jockeys or other radio staff in exchange for the playing of certain records unless such payments were announced over the air.

The various laws and hearings from the 1960s–1970s muted the prominence of payola for a while. However, payola-like practices eventually resurfaced, but in a more indirect form. Standardized business practices now employed by many broadcasters and independent radio promoters result in what we consider a de facto form of payola. Often, in an effort to stay within the law, the payment is characterized as, for example, payment to receive first notice of the station's playlist “adds.”

The new payola-like practices take two primary forms. Radio consolidation has created the first type. Radio station group owners establish exclusive arrangements with “independent promoters,” who then guarantee a fixed annual or monthly sum of money to the radio station group or individual station. In exchange for this payment, the radio station group agrees to give the independent promoter first notice of new songs added to its playlists each week. Stations in the group also tend to play mostly records that have been suggested by the independent promoter. As a result of the standardization of this practice, record companies and artists generally must pay the radio stations' independent promoters if they want to be considered for airplay on those stations.

The second payola-like practice occurs after the music labels hire an “independent radio promoter” to legitimately promote their records to specific stations for a fee. Reportedly, certain indie promoters use the labels' money to pay the stations for playing songs on the air.

These practices result in “bottom line” programming decisions where questions of artistic merit and community responsiveness take a back seat to the desire of broadcasters to gain additional revenue. As a result, many new and independent artists, as well as many established artists, are denied valuable radio airplay they would receive if programming decisions were more objective. Furthermore, whatever form the pay-for-play takes, these “promotion” costs are often shared by the artists and adversely impact the ability of recording artists to succeed financially.

To protect the public interest, we request the payola prohibition be revised by the FCC so that it cannot be circumvented by any entity via the use of independent promoters. If the music played on the radio has less to do with the quality of the song than the economics of the business arrangement, how does this serve the needs of citizens? Also, when payments are not announced, isn't the public misled into thinking that the station chooses which songs to broadcast based on merit?

#### Impact of Widespread Industry Consolidation

The federal government must also examine the impact of loosened ownership caps on the listening public. Until 1996, the Federal Communications Commission regulated ownership of broadcast stations so any company could own no more than two radio stations in any one market and no more than 40 nationwide. When Congress passed the Telecommunications Act of 1996, the restrictions government ownership of radio stations evaporated. Now, radio groups own numerous stations around the country and exercise unreasonable control over the airwaves. For example, in 1996, there were 5133 owners of radio stations. Today, for the Contemporary Hit Radio/Top 40 formats, only four radio station groups—Chancellor, Clear Channel, Infinity and Capstar—control access to 63 percent of the format's 41 million listeners nationwide. For the country format, the same four groups control access to 56 percent of the format's 28 million listeners.

This consolidation has led to a new dynamic in the music industry. Radio station groups have centralized their decision-making about playlists and which new songs to add to the playlist. These centralized playlists have reduced the local flavor and limited the diversity of music played on radio. Due to their sheer market power, radio station groups now have the ability to make or break a hit song.

With the increased leverage resulting from ownership consolidation, at least one group owner is considering charging labels for merely identifying the name of the artist and song played. The CEO of Clear Channel told the Los Angeles Times that it might sell song identification as a form of advertising. This miserly practice would harm the music community and citizens, as it would make it difficult for radio listeners to identify new artists and purchase music. Once again, this practice would impact the ability of new and independent artists to succeed.

We request that the FCC investigate consolidation of radio ownership focusing on the public interest which radio stations are supposed to serve. This investigation should look at the difficulties small independent broadcasters face when going up against large and powerful radio station groups in a specific market. It should study the role that national playlist decisions have had on the skyrocketing cost of radio promotion. It should also take into account the impact of reduced staffing levels on members of local stations and the reduction of classical, jazz, bluegrass and other formats from the airwaves.

#### Vertical Integration of Radio Owners

Many radio groups are also vertically integrated companies increasing their already substantial leverage and control. For example, Clear Channel, a company that owns over 1200 radio stations, also owns tens of thousands of billboards, and various promotion companies and venues. In 1999 Clear Channel purchased SFX Entertainment, the nation's most powerful concert promoter. This gave Clear Channel control of the concert promotion industry in most of the key regions of the US virtually overnight. Clear Channel therefore has a direct economic interest in promoting its own concerts and tours on its numerous radio stations over those of the competition. It also has an interest in limiting the promotional support of bands and artists who are performing for other companies, at other venues or who are sponsored by other stations.

Some of the remaining independent concert promoters have alleged that Clear Channel is engaging in anti-competitive behavior by using this leverage to force smaller companies out of business. In particular, the

mid-size promoter NIPP in Denver brought suit against Clear Channel in 2001, alleging that Clear Channel—which owns all three rock stations in the Denver area—was not running the ads that NIPP paid for on its stations to promote last year's NIPP-promoted Warped Tour. There have been other allegations from bands and performers—mostly off-the-record for fear of retaliation—who have stated that radio station groups have pressured them into playing shows for free in exchange for airplay, or who have had their songs removed from playlists for playing non-exclusive venues.

We would like to see the FCC investigate whether an artist's choice to play or not to play in Clear Channel venues or to use or not to use Clear Channel's promotion company impacts the artist's positions on or removal from Clear Channel playlists.

#### Community Radio

Rampant consolidation of commercial radio and increased budgetary pressures felt by non-commercial stations have led to a reduction in radio play for musical genres like classical, jazz, opera and bluegrass. Congress needs to reevaluate the current status of non-commercial radio, including exploring new strategies for sustaining existing community radio stations and moving forward with full implementation of community-based Low Power FM radio. After an intense lobbying campaign by the National Association of Broadcasters and NPR, the FCC's Low Power FM plan was scaled back significantly via an Appropriations rider in 2000. The FCC is currently following Congress' request for additional testing of the impact of these tiny stations on existing broadcasters. Once the FCC report is submitted to Congress, Congress must move forward by passing legislation to authorize the FCC to license these stations in urban areas. If consolidation in the radio environment has stifled competition and reduced diversity of programming, low power radio can begin to address the lack of community-based programming.

#### CONCLUSION

We are deeply concerned about payola and payola-like practices, as well as the problems caused by radio station ownership consolidation, and the vertical integration of station ownership with venue ownership and concert promoters. New rules must be written by the FCC to prohibit payments to radio stations from “independent promoters” unless such payments are announced. The FCC must seriously evaluate whether a radio station is even satisfying the current license requirement that sponsorship identification or disclosure must accompany any material that is broadcast in exchange for money, service, or anything else of value paid to a station, either directly or indirectly. The FCC should also consider whether radio stations are serving the public interest by contributing to localism, and independence in broadcasting. Finally, Congress must be vigilant in ensuring that the FCC is upholding the public interest in all of these matters.

Respectfully submitted by the following organizations:

American Federation of Musicians (AFM), American Federation of Television and Radio Artists (AFTRA), Association for Independent Music (AFIM), Future of Music Coalition (FMC), Just Plain Folks, Nashville Songwriters Association International (NSAI), National Association of Recording Merchandisers (NARM), National Federation of Community Broadcasters (NFCB), Recording Academy, Recording Industry Association of America (RIAA).

CONCLUSION OF MORNING  
BUSINESS

The PRESIDING OFFICER. Morning business is now closed.

TERRORISM RISK INSURANCE ACT  
OF 2002

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 2600, which the clerk will report.

The senior assistant bill clerk read as follows:

A bill (S. 2600) to ensure the continued financial capacity of insurers to provide coverage for risks from terrorism.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, I want to shortly yield to my colleague, the chairman of the Banking Committee, for an opening statement he may wish to make on this bill.

Mr. President, just for the order of business, we will probably take a few minutes with some opening statements this morning on the bill, although I think over the months there has been a lot of knowledge about what is involved. I know the Presiding Officer has an amendment and is interested in the subject matter. I think Senator KYL may have an amendment he wants to offer fairly soon. Senator GRAMM from Texas, obviously, is very familiar with the bill.

My hope is that colleagues who have amendments would, first of all, let us know what their amendments are. That would be helpful. I do know what many of them are already. There may be others. So I would ask staffs of Members of both parties if they would get to the ranking member or the manager of the bill the amendments from both sides so everyone has an idea what we are looking at over today and possibly tomorrow and/or however long it takes to get this done.

My hope is they would be relevant amendments, that we would stick with the subject matter at hand rather than using this vehicle to bring up extraneous matters.

With that said, let me turn to the chairman of the full committee. I thank him. I will make a longer statement in a few minutes myself. But I certainly thank the majority leader, Senator DASCHLE. I want to thank the minority leader. Senator GRAMM has been deeply involved.

Certainly the chairman of the committee, Senator SARBANES, has been involved in this issue from the very beginning. Going back to last fall, when we tried to sort this out, he made a Herculean effort to bring it together. When we do these things, it becomes difficult because we get 97 other people, as I mentioned yesterday, who all have something they want to add to the discussion and debate. As a result of that, a good effort did not work out as well as we wanted initially, but I think a better effort may prevail as a result of more people being involved.

So while we have lost some time, I think the product we are putting before the Senate today is actually a stronger proposal.

With that, I will turn to my colleague from Maryland.

Mr. REID. Will the Senator from Maryland yield to the Senator from Nevada to make a brief statement?

Mr. SARBANES addressed the Chair. The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. I yield to the Senator from Nevada.

Mr. REID. Mr. President, I, on behalf of Senator DASCHLE, alert everyone, as Senator DODD has done, that we want to have ample opportunity for everyone to offer any relevant amendments. We think it is very important that if people believe this bill isn't what it should be, they have an opportunity to make it better. But I hope that everyone understands we are not going to wait forever to move on cloture if it appears people are stalling, trying to kill the bill, through amendment or otherwise.

There will be ample time for amendments, I repeat. But we are not going to stand around here for hours at a time in wasteful time. We have so much to do.

The last week before the July recess we have to spend on the Defense authorization bill. We have to do that. And that leaves next week to complete everything else that needs to be done.

So I say to everyone, if they have amendments, come over and offer them. Senator SARBANES and Senator DODD have worked on this legislation for months. We almost had it done before Christmas of last year. Senator DODD and I have offered numerous unanimous consent requests so we could move forward on this more quickly.

So I repeat, for the third time, as I did when the Senate opened this morning, we want to have a bill that comes out of the Senate, and we are going to get one, one way or the other. We hope it would be done with people cooperating, trying to improve the legislation; when they offer an amendment, and it does not pass, or it is tabled, that they do not start crying and say: Well, I am going to kill the bill then.

This legislative process is what it is. This legislation is important. We are going to do everything we can to move it expeditiously.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, I commend my colleague, Senator DODD, for his leadership on this very important issue. I have joined with him in cosponsoring the legislation he has introduced, S. 2600, which is now before the body. I thank Senator DASCHLE and Senator REID for moving the Senate to this issue, and we appreciate the willingness of the other side of the aisle to cooperate in that endeavor.

This bill is now open to amendment, and we hope as we move forward today,

in short order, that those who have amendments will be offering them and that we will be able to consider them as we address the important issue contained in the legislation.

This legislation is designed to ensure the continued financial capacity of insurers to provide coverage for risks from terrorism. It obviously stems from the attacks of September 11 which raised a very large question about the future availability of property and casualty insurance for terrorism risk.

Shortly after those attacks, the administration, interacting with the Congress, put forward certain ideas for addressing this issue, and there has been an effort to try to deal with this issue over the intervening months. It is a difficult and complex question. A number of questions have been raised with respect to it. Hearings have been held by more than one committee in the Congress on both the House and the Senate side. The Banking Committee held hearings in late October in which the witnesses who appeared acknowledged the need for legislation and agreed that the future availability and affordability of terrorism insurance would be placed in jeopardy absent congressional action.

Many have outlined the potential negative consequences for the U.S. economy from the financial instability which would arise if terrorism insurance were not available.

That view is reflected in the congressional findings on which the Terrorism Insurance Act rests. Let me quote briefly from those findings. It is very important to lay the basis as to why we are trying to move this legislation. I quote:

Widespread financial market uncertainties have arisen following the terrorist attacks of September 11, 2001, including the absence of information from which financial institutions can make statistically valid estimates of the probability and the cost of future terrorist events and, therefore, the size, funding, and allocation of the risk of loss caused by such acts of terrorism.

A decision by property and casualty insurers to deal with such uncertainties, either by terminating property and casualty coverage for losses arising from terrorist events or by radically escalating premium coverage to compensate for risks of loss that are not readily predictable, could seriously hamper ongoing and planned construction, property acquisition, and other business projects, and generate a dramatic increase in rents and otherwise suppress economic activity.

The findings go on to say:

The United States Government should provide temporary financial compensation to insured parties, contributing to the stabilization of the U.S. economy in a time of national crisis, while the financial services industry develops the systems, mechanisms, products, and programs necessary to create a viable financial services market for private terrorism risk insurance.

That basically sets out the problem we are trying to address with this legislation.