



AMERICANS FOR TAX REFORM

LEGISLATIVE ALERT

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NO LOCAL MONOPOLY FOR BROADCASTERS!

OPPOSE H.R. 4026

Americans for Tax Reform strongly opposes H.R. 4026, the so-called “Local Emergency Radio Service Preservation Act of 2004.” While supposedly for the purpose of preserving local emergency broadcast services, the bill would prohibit satellite radio providers from offering local content such as news, weather and sports.

The bill states “Because local programming is supported by advertising, the ability of local radio stations to continue to provide local news and other services and to ensure communications during emergencies could be jeopardized by a diversion of the listening audience away from local radio programming.” The intention of the bill is clear – to protect local radio broadcasters from having to compete in a free and open market.

As satellite radio – a fairly inexpensive new medium -- grows in popularity, consumers will inevitably demand more local programming, and satellite radio providers are prepared to give them what they want. Unfortunately, analog radio broadcasters have enjoyed a monopoly over local radio broadcasting for nearly seventy years.

While broadcasters have opposed various attempts at media deregulation under the banner of preserving localism, H.R. 4026 makes clear that broadcasters are simply trying to preserve their monopoly. In fact, in April of this year, National Association of Broadcasters (NAB) CEO Eddie Fritts told his members, “Localism is our franchise, and ours alone.” H.R. 4026 would protect broadcasters from competition from satellite radio providers, and consumers and advertisers will pay the price with higher advertising prices and fewer choices.

Meeting the needs and demands of consumers is the franchise of anyone willing to compete in the open market, and not just a single protected industry. **ATR strongly opposes H.R. 4026 and any other vehicle designed to preserve or create a monopoly in local broadcasting.**