

**Statement of Senator Patrick Leahy (D-Vt.),  
Chairman, Senate Judiciary Committee  
Hearing on “Reauthorization of the Satellite Television Extension and Localism Act”  
March 26, 2014**

Nearly five years ago, television broadcasters turned off their analog signals and transitioned to digital, heralding a new era of television for the 21<sup>st</sup> Century. Since that time, we have seen the video market change in exciting ways. Online platforms like Netflix and Amazon allow consumers to watch entire seasons of television shows on demand, and are even becoming destinations for original programming.

We have seen rapid innovation like this over the years, from the birth of the cable industry in the 1970s to the evolution of the satellite industry in the 1980s. These new technologies brought with them new challenges and opportunities for content creators and consumers alike. It has been almost 30 years since Congress passed the Satellite Home Viewer Act to address the important challenge of how to marry these new platforms with broadcast television. Today, we consider the most recent iteration of that law – the Satellite Television Extension and Localism Act – or “STELA.”

STELA grants the satellite industry a compulsory copyright license to retransmit distant broadcast television content to consumers who are unable to receive a signal over-the-air. This license, which is set to expire at the end of the year, was for many years the only way the satellite industry could provide broadcast television content to consumers. Broadcast television is most valuable, however, when it is appropriately tailored to local markets and provides local news, weather, and sports that consumers want to see. That is why we worked in 1999 to create a new, permanent license to allow for the retransmission of local content by satellite carriers into local markets.

The resulting combination of local television content and satellite has helped to strengthen the local focus of American broadcasting. It has also helped put two major, nationwide distribution platforms on an equal footing with the cable industry. DISH Network and DirecTV help to give consumers more choice, particularly in rural areas like Vermont where cable is not always available. Local content means a lot to Vermonters, which is why I have worked to ensure that every single satellite subscriber in the state has access to local news and weather.

In 2010, Congress made the decision to once again extend STELA’s distant signal license for another five years. In doing so, we updated all three of the compulsory copyright licenses for the digital era. We also made some changes to further reduce reliance on the distant signal license, which has been an important goal of these reauthorizations since the local-into-local license was established.

I recognize that not everyone sees a need for us to reauthorize this license. Compulsory copyright licenses inherently restrict the rights of content holders to negotiate on market-based terms. And retransmissions of out-of-market broadcast stations dilute the value of local stations. I share some of these concerns, and I look forward to a time when Congress can let this license lapse because virtually all consumers are being served by local stations. I do not think we have reached that moment yet, however, and I intend to move forward with bipartisan legislation this year to reauthorize STELA. The input from stakeholders at this hearing today is an important first step in that process.

As we move forward, I plan on working closely with Senator Grassley, as well as Chairman Rockefeller and our counterparts in the House. A STELA reauthorization should not be partisan or controversial – it should be a moment for the Senate to come together. In the past, I have worked as both Chairman and Ranking Member with Senator Hatch, Senator Sessions, and Senator Specter on satellite reauthorizations. That is the spirit in which I will be approaching our work this year.

I thank the witnesses for appearing today and I look forward to hearing your testimony.

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