

Statement of
The Honorable Patrick Leahy

United States Senator
United States Senate
June 21, 2012

Today, the Antitrust Subcommittee will examine the proposed merger of Universal Music Group and EMI and, importantly, discuss broader trends in the distribution of music online. Senator Kohl is continuing his efforts to highlight competition issues that will affect American consumers.

This discussion comes at a time of growth and change in the world of music distribution. Users can access music in more ways and at a broader range of price points than ever before. Fifty percent of all recorded music is now sold through digital distributors like the iTunes store. Internet-based services allow users to download individual songs and albums, stream individual songs on demand, or stream Internet radio. New technologies are promoting consumer choice and giving artists better ways to connect with fans.

Even as our ways of accessing music continue to grow, all platforms for delivering music still rely on one thing --quality content. As in all markets, it is important to protect competition to ensure that new music services can emerge and that existing distribution outlets can fairly negotiate reasonable prices. Our antitrust laws establish a review process by federal authorities to analyze competition issues in proposed mergers, and I have confidence that the Federal Trade Commission will consider the issues presented by the Universal Music Group acquisition of EMI fairly and thoroughly in its review of this transaction.

Today 's discussion with some of the leading participants in the music industry ties in with the Committee 's ongoing focus on developments in music distribution and online innovation. Last Congress, Senator Hatch and I introduced legislation that would ensure recording artists are compensated when their works are broadcast over terrestrial radio. I have also worked closely with Senators Feinstein and Graham on a way to create parity among the many different platforms through which we listen to music today. As the landscape for music distribution continues to evolve, we must ensure that our system encourages quality content by compensating songwriters and recording artists, while also ensuring the different platforms can compete and thrive.

I look forward to working with all stakeholders as we continue our efforts to promote innovation in the music industry while protecting the hard work of talented musicians and performers. I thank the witnesses for joining us today.

#####