

## Statement of Mark P. Mays

Good afternoon, Chairman Powell and Members of the Commission. My name is Mark Mays, and I'm the President and Chief Operating Officer of Clear Channel Communications. I'm thrilled to be with you in the historic city of Richmond, and appreciate your inviting me to testify about the importance of localism in radio broadcasting.

Some have spoken of the radio experience as the "canary in the coal mine," providing evidence of the dangers of deregulation – dangers, they say, that await other media that would follow in radio's footsteps. But this analogy, though it may be colorful, just doesn't fly for one simple reason. The canary isn't dead. To the contrary, it is alive and well, healthier and more robust than ever before. Far from being dead, radio is experiencing a "new vitality" and is providing excellent service to local communities all over the country.

In order to fully appreciate the new vitality of the radio industry, you must remember back to the early '90s when many stations were simply struggling to survive. It was a different world then, just ten years ago, with half of all radio stations operating in the red, and many others close to it. Of course, the first thing many of these stations did in those rough financial times was cut their local news budget, and some even shut down their news departments entirely. Local audiences suffered as a result.

But with deregulation and the ability to own more stations, companies like Clear Channel could create economies of scale and benefit from cost savings. And we, like many other broadcasters, have reinvested these savings in our stations, improving technical facilities, hiring better on-air talent, and increasing the quality of local programming.

Study after study demonstrates that consolidation has led to increases in the diversity of formats available to listeners in local markets, large and small. Here in Richmond there were only 16 different radio formats in 1995. In 2002, that number had grown to 25. That's more than a 50% increase since deregulation. And our stations offer the only alternative and hip-hop/rhythm and blues formats in the Richmond market, formats that were unavailable in 1995.

Now, it's true that while there are more formats, there are fewer "mom and pop" operators than before. It's also true that Clear Channel owns 1,200 radio stations. However, it is important to put these numbers in context. While Clear Channel owns 1,200 stations, that represents just NINE PERCENT of all the radio stations in the U.S. Put another way, more than NINETY PERCENT of U.S. radio stations are owned by other companies.

I'm not here to dispute the fact that we are a large company, or that consolidation has occurred. But as the largest radio operator, I would strongly dispute the notion that consolidation has led to a reduction in localism. Clear Channel has many competitors, and we compete aggressively to bring listeners the best programming we possibly can.

We succeed exactly the same way that any smaller operator succeeds: by knowing intimately the local community we serve, and tailoring our programming to meet their unique needs and tastes. This is true every minute of every hour of every day. If listeners don't like

what they hear, they will turn the dial. It's that simple. One tired song, a commercial break that lasts too long, or a failure to provide timely news or traffic, and the listener is gone.

That's why we run Clear Channel in a completely decentralized manner. We operate like an association of small, local businesses. Our local station managers and program directors make EVERY decision about what music gets played on our stations and how often. They develop the play lists based on extensive local audience research, listener requests and feedback, and first-hand knowledge of their own communities. At Clear Channel, there is no such thing as a standardized play list!

To those who would say that radio has become more homogenized since deregulation, let me dispel that myth as well. Since 1999, the number of unique songs and artists we play has increased by 30%, reflecting the fact that Clear Channel radio stations are actually playing a greater variety of music every year.

The truth is over 80% of our radio programming is produced locally, not hundreds or even thousands of miles away. I'm pleased to say that our dedication to localism has been recognized time and again. Last year, our Richmond stations won awards ranging from "Best Locally Produced Radio Show" for the Bill Bevins Morning Show on WTVR to "Best Traffic Reports" for Scott Stevens at WRVA.

And our local managers take great pains to introduce listeners to new artists. They showcase up-and-coming talent in communities across the country. Here in Richmond, for example, WRXL airs a 1-hour program each Sunday night featuring local and regional bands. Up the road in Washington, WWDC produces the "DC 101 New Music Mart" every Sunday night. In fact, Carbonleaf, an unsigned band from right here in Richmond, has seen its music move from the Sunday night show to DC 101's power rotation, which includes the station's most heavily-played records.

But we don't just serve our communities by playing the music our listeners want to hear. Clear Channel stations around the country are deeply involved in a wide variety of local civic and charitable events. Let me highlight just a few of the ways our Richmond stations have worked to give back to their community. WRVA raised over \$126,000 for the Salvation Army, bringing thousands of shoes to needy children. WRVQ raised over \$187,000 for the Make-a-Wish Foundation. And WRXL staged a chili cook-off that raised more than \$30,000 for Stop Child Abuse Now.

The bottom line is we know that GOOD radio means LOCAL radio. We must respond to the different tastes of listeners in every market we serve. We just couldn't be successful any other way. And we are pleased that recent surveys show listeners are very happy with the job we're doing, although we will always strive to do better.

Thank you again for inviting me to participate in today's hearing. I look forward to answering any questions you may have.