

The pillars of this system are that we are going to have, be rooted in, the bedrock of a thriving private sector, not the tenuous ground of a public system that has proven costly and inefficient in other countries.

I believe we need to devote our working Congress to building a stronger system and involving the private sector within that system. History has proven this to be a tried and true method. We can bring down the number of insured. We can increase patient access. We can stabilize the physician workforce, and we can modernize through technology, and we can bring transparency into the system. Each of these goals is within our grasp if we only have the foresight and the determination, the political courage to achieve each goal.

Again, I referenced when I was a medical student in Houston, people would come from around the world to come to the Texas Medical Center for their care. There is a reason that people come from around the world to the United States for their health care and for their treatment. We are the best, but we must make adjustments to remain at the top of the game.

#### POTENTIAL LOSS OF INTERNET RADIO

The SPEAKER pro tempore (Mr. WILSON of Ohio). Under the Speaker's announced policy of January 18, 2007, the gentleman from Washington (Mr. INSLEE) is recognized for 60 minutes as the designee of the majority leader.

Mr. INSLEE. Mr. Speaker, I come to the floor of the House this evening to discuss the potential loss of Internet radio by Americans, a tremendous service that, because of Internet software and musical geniuses, 70 million Americans now enjoy the ability to listen to music by Web broadcasters over the Internet.

It is a tremendous service. It is as ingrained in a lot of Americans' daily lives as a cup of coffee and the morning newspaper.

Unfortunately, I have to inform the House that that service may be gone in a matter of a few weeks if we don't reach a resolution of a, frankly, wrong decision decided by the Copyright Royalty Board. What I am disturbed to report to my colleagues is that some time ago, March 2, 2007, we had a decision by a Federal agency, the ramifications of which would be to shut down the ability of Americans, on a realistic basis, to continue to enjoy Internet-based radio.

The reason this happened is that this board was given the authority to set the royalty that should be paid by Webcasters who stream out this great music, by the way, tremendously diverse music. One of the great things Americans love about Internet radio is you have such eclectic, different types of music, not just top 40. You know, I haven't progressed past the Beach Boys in the 1960s, but there are a lot of kinds of other music. Internet radio has been

tremendous by allowing people to enjoy thousands of different genres and types of music.

But now this Copyright Royalty Board has issued a decision which will explode the royalty that these Webcasters are forced to pay to those who generated the music, to the extent that it will make it totally economically impossible for these businesses and these Webcasters to continue to stream music to the 70 million Americans who now enjoy it.

We need to fix this problem. We need to fix it urgently, because the decision will, this guillotine will come down on July 15 if either Congress doesn't act or an agreement is not reached between the parties to adjust this copyright fee that will have to be paid by the Webcasters.

So we need to fix this problem, and, in doing so, we need to do it in a way that is fair to the musicians and artists who create the music that 70 million Americans enjoy over the Internet. These artists work hard in producing this music. They share their genius. It's an artistic gift they have, and they share it with Americans. They need to be compensated fairly to allow them to maintain their business model as well.

Unfortunately, this was a wildly disproportionate decision by this board that is grossly unfair to the distributors of music and simply will allow them not to continue in business. And to give folks a feeling of how distorted this decision will be, I would like to refer to this graph which shows Internet radio per-song royalty rates under preexisting law starting in 2005, that started at \$.00008 dollars in 2005, and by 2010, we will have foisted on us 149 percent increase in these royalty rates.

I am not sure any business model can tolerate a three-fold increase just in the per-song royalty rates that these folks are having to undergo. Unfortunately, this royalty rate means about a 300 percent increase for big Webcasters. But because of the particular rules here, it's a 1,200 percent increase for small Webcasters, so the small Webcasters, which are the vast majority of Webcasters will be hit potentially by 1,200 percent increases.

Now, this board, this Copyright Royalty Board has refused to reconsider their decision. What it means in the real world is the Internet going silent. Many of the stations a few days ago went silent to demonstrate and to protest its decision. I know Americans are disturbed by this, and they are now talking to my colleagues. I know thousands of them have communicated with my colleagues as a result of this, so we need to fix this problem.

I know in my district, I am from an area just north of Seattle, First District in the State of Washington, we have a Webcaster called Big R Radio. They stream to over 15,000 listeners who enjoy their product. But because of this decision, their rates are going to go up to a level, and you have got to understand how bad this is, the rates

they would have to pay just for their royalties, not for their overhead, their rent, their salaries, the royalties they would have to pay for this exceed by 150 percent the revenues that this business is getting in.

Well, obviously, that's untenable, and this company will have to either go offshore or simply shut down if some change is not made. That is bad for Big R Radio, the company, and it's bad for the 15,000 people that enjoy their music right now. We need to fix this problem.

So the first damage that was done is this per-song radio royalty, but there was another, perhaps even more odious thing that this board did, the pre-existing rule required a \$500 charge, or, excuse me, a per-station minimum fee. This new ruling required a \$500 charge for each streaming station that they offered. Webcasters, of course, stream under certain channels. But under this decision, there was no limit on the amount total in this per streaming channel that would be placed. Many, if not most Webcasters, have multiple channels.

So, if you look at what it will cost, just three of these Webcasters, Pandora, RealNetworks and Yahoo, because they are getting socked with this \$500 per channel, and they broadcast literally thousands of channels with no limit, just those three Webcasters would have to pay \$1.15 billion, with a B. These rates will dwarf the radio-related revenues by substantially more than \$1 billion.

In other words, it will charge these businesses more than \$1 billion more than the revenues they generate from this business. That's absurd. It's ridiculous. It has no relationship to economic reality, and it is a government glitch, a foul-up of the highest order that needs to get repaired.

This would result in 64 times more the total royalties collected by the group called SoundExchange that collects these royalties in 2006, an increase of more than, this is a pretty amazing number to me, 10 million percent over the minimum fee of \$2,500 per licensee. Clearly, this is beyond the realm of economic reality.

Finally, this royalty board, the third thing that they did, they eliminated the percentage of revenue fees that many small Webcasters use to determine their performance royalty, which would be severely damaging to small Webcasters. So, to put this in perspective, in a global sense, I want to refer to what this will mean in total royalties.

If you look at this chart, you show total royalties in 2004 of \$10 million. The estimated fee under the old royalty rule in 2006 would be \$18 million. But under this decision, this flawed decision, it will actually be \$1.150 million. So if you want to see the difference graphically of what the old royalty would be in 2006, this bubble would go to this supernova, I would call it, in 2006. This is untenable. It needs to be fixed.

Now, in order to fix this, Representative MANZULLO and myself have introduced the Internet Radio Equality Act, it's H.R. 2060, and this bill would fix this problem by doing something that appears eminently fair to me, which would simply have the same rate to be paid by Internet-based Webcasters as broadcasters now pay over satellite radio, over cable radio and over juke boxes.

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What we are simply saying is that we ought to have equality, fairness, that is why we named it the Radio Equality Act, by having parity, the same level, which is 7.5 percent of revenue, a transition rate, in 2010. This is something that is fair, equal, and economically realistic to allow 70 million Americans to continue to enjoy their radio over the Internet. And now, 128 Members of the U.S. House of Representatives have cosponsored this bill just in a matter of a month or two; and the reason they have done so is I think they have heard from their constituents who want to keep their service going and realize how ridiculously out of whack this particular decision was.

Now, I know it may surprise some Americans to know that government agencies can make mistakes, but certainly one was made here and we need to fix it, and we need to fix it quickly. On July 15, this decision will go into effect. I encourage my colleagues to look at this bill, H.R. 2060, the Internet Radio Internet Equality Act, and cosponsor it to add their voices to the choir to demand action by the legislature to fix this bureaucratic foul-up.

Obviously, this is supported by a large number of people, not just broadcasters. National Public Radio certainly has an interest in this. I know that many of my constituents enjoy it, and it is in great jeopardy tonight if we don't act. I know one station has already gone off the air because of this bureaucratic snafu. The NPR affiliate Rock Island Illinois-based WVIK served hundreds of thousands of citizens. They have switched off their Web stream because this is an economically untenable situation for them if it is not fixed. So what their constituents and their customers are now hearing over the Internet is silence. Silence may be better than some of the music my kids have listened to over the years, but it is not better than the thousands of stations and access that people have over the Internet. We want to keep that available for Americans.

I also want to say that why I think this is so important is diversity. One of the best things about the Internet is it gives you what you want, not what the broadcaster wants you to listen to. And, frankly, because of the consolidation of the industry and the radio over-the-air industry, we are hearing a lot more of the same thing over and over and over again. And some of it is great music. We are still stuck in the 1960s, many of us, and we enjoy it, but diver-

sity and having access to Appalachian bluegrass or music from the subcontinent of India; I heard of a genre, it was basically heavy metal, hip-hop, country at the same time, and that is quite a genre. But this provides diversity for people, and they ought to have their multiple tastes enjoyed and that is really in jeopardy tonight.

Now, the other thing I want to say is that this decision will go into effect July 15, and these stations will be in great economic jeopardy beginning just in a week or so; and, unfortunately, some of them as of July 15 might shut off their streaming. Others are going to start to consider what to do. Some may consider going offshore, which is not a healthy situation for us for a variety of reasons.

But I want to assure the parties who might be involved in discussions in this that after July 15 it will not be the end of this discussion. If Congress is unable to act before July 15 and if the parties don't reach some resolution of this, July 15 will not be the end of this effort. It will not be the beginning of the end of this effort; it might be the end of the beginning of this effort, because as these stations start to shut down, Congress will be deluged more than they have already been deluged with voices of protestation exercising their right to petition their government for redress of grievances, and one of the biggest grievances people are going to have is they can't hear their radios over the Internet anymore. The 128 cosponsors we have today even before the sword of Damocles has fallen on the music is going to grow, and we are going to be back here to continue to grow this until we get relief.

So I am hopeful that the parties are talking to one another to try to reach an economically viable and fair resolution of this so that artists, performers, songwriters can continue to have a meaningful economic model, so they can continue to do their work and they will be compensated for it; that Webcasters can have an economic model to allow them to stream it over the Web, and 70 million Americans can continue to enjoy the pursuit of happiness over the Internet listening to this great music. If that does not happen by July 15, we are going to be back here until it gets resolved and this chorus, this drumbeat will continue. We do not intend to let, in the words of Don McLean's song, not allow the music to die. It is, too, a part of the American culture, and I will encourage my colleagues to help out by cosponsoring this bill.

Mr. Speaker, I yield back the balance of my time.

#### STEAL AMERICAN TECHNOLOGIES ACT, THE SEQUEL

The SPEAKER pro tempore (Mr. WILSON of Ohio). Under the Speaker's announced policy of January 18, 2007, the gentleman from California (Mr. ROHRBACHER) is recognized for 60 minutes.

Mr. ROHRBACHER. Mr. Speaker, today I would like to discuss with the Members here assembled and those listening on C-SPAN and those who will be reading the CONGRESSIONAL RECORD an issue that may well be determined here on the House floor in the next few weeks, at least perhaps in this session if not in the next few weeks. It is an issue that will fundamentally alter and I would say dramatically diminish a constitutionally protected right and will have tremendous long-term consequences for our country; yet, very few people in this country know that this issue is coming before us. Very few of our Members even understand that an issue of this significance will be discussed here. But there will be a fight, and there is an issue of great importance that will emerge here in the not-too-distant future.

The fight over this issue of course is not a new fight. In the late 1990s, similar attempts were made at what will be attempted in the next few weeks. Those attempts were made, but they were defeated. They were defeated after the public was mobilized, and powerful forces that were at play here in our Nation's Capital were defeated. Without the public mobilizing against this particular change that was being proposed by the corporate elite here in Washington, our system of technology in the United States would have been dramatically impacted and the well-being of our people in the long run would be condemned.

The battle, which took place in the 1990s, lasted for years. Corporate pressure was brought to bear, and every attempt was made to accomplish what I consider to be an insidious goal through stealth, and it was being done in a way that would keep as low a profile as possible. We see that happening today. Very few of our Members know that there is an issue of this magnitude coming before us, but special interests are already at play. We see people, we see organizations being well financed to come here and talk to us about technology issues, not realizing the real purpose of these organizations and the financing behind them is to push forward a change that will dramatically impact America's ability to be the technological leader of the world and dramatically implicate our innovators and our inventors.

The American people, however, back in the 1990s, once alerted and made aware of the significance to our country of the changes that were being proposed, stood up and fought the good fight and beat back this attempt for fundamental change in a stealth manner. They in fact beat back the onslaught, but just barely. However, once the American people were made aware of the significance of what was going on, they won the day.

Does it sound familiar? Yes, it sounds tremendously familiar if you look at what just happened with the immigration bill in which the elites of this country were trying to foist upon us a