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REMARKS BY MRS. COLLINS

AUDIO HOME RECORDING ACT OF 1992 (H.R. 4567)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Illinois [Mrs. COLLINS] is recognized for 5 minutes.

Mrs. COLLINS of Illinois. Mr. Speaker, recently, the House Subcommittee on Commerce, Consumer Protection and Competitiveness reported Audio Home Recording Act of 1992, which finally puts to an end the legal battles over digital audio recording by adopting a compromise worked out by the manufacturers, recording industry, songwriters, and artists. The bill sets

the stage for the widespread introduction of this remarkable technology.

Digital audio technology has been around for several years. Compact discs and compact disc players are examples of this innovative technology; and the superior sound quality that digital technology produces has revolutionized the recording industry.

Even more exciting than the compact disc and the compact disc player, is the digital audio recorder. Unlike the familiar analog recorder, digital audio recorders are able to make virtually perfect copies of source music. With analog recorders, as one makes generational copies, the sound quality of the music eventually deteriorates. On the other hand, with digital audio recorders multigovernmental copies do not change the sound quality of the music, so that a 100th generation copy will sound as good as the original version.

These digital recorders were on exhibit at the Consumer Electronic Show held in Chicago last month.

American consumers have been deprived of overall access to this innovative recording technology due to litigation and disputes between the electronics industry, recording industry, songwriters and music publishers in the United States. The dispute stems from the music industry's fear that once consumers get access to this technology, home copying will increase and this will lead to reduced sales and royalties.

The parties have now reached an agreement, one that addresses issues of concern to the interested parties. This agreement is embodied in the Audio Home Recording Act of 1992 (H.R. 4567), which I introduced.

There are three basic provisions of the legislation. First, it prohibits the bringing of any copyright infringement suit based on the use of a recorder to make copies for noncommercial use.

Second, it requires all manufacturers and importers to pay a small royalty fee for digital audio recorders and media made available to American consumers. This money is eventually distributed to copyright holders via the U.S. Copyright Office.

The payment is very small and only applies to digital recorders and media, not the current analog tapes and players. For example, where a recorder has a retail price of $250, the royalty fee would be about $2.50. Where a blank tape has a retail price of $6.00, the royalty fee would only be about nine cents.

Third, it requires all digital audio recorders to incorporate the serial copy management system, which permits unlimited copying of original material, but prohibits copies of copies.

Mr. Speaker, the Audio Home Recording Act of 1992 is crucial to ensuring that the American music and electronics industries remain competitive and that American consumers obtain access to technology on the cutting edge.

Mr. John V. Roach, the chairman of the board and chief executive officer of Tandy Corp., the largest American consumer electronics company and retailer employing 27,000 people nationwide, testified that unlike the current generation of recorders that are mechanically complex, the American manufacturers have been concentrating on digital oriented products. In this area, Mr. Roach says, American companies are fully competitive, and can once again establish manufacturing jobs here in the United States.

Both American electronics companies and the music industry have been harmed by the current stalemate.

Ms. Dionne Warwick testified: "The bill allows today's songwriters and others in the music community to continue turning out great music without fear of endless loss of revenues due to copying. At the same time, it offers the consumer the choice of whatever format he or she chooses on the same level of quality that we hear in the studio, while offering definitive protection from copyright infringement charges." She reiterated Ms. Gladys Knight's words to the Congressional Arts Caucus last week that as an artist, she is show business and the business part of show business needs this legislation.

Mr. Ed Murphy, president and CEO of the National Music Publishers' Association, Inc. testified: "As domestic industry after domestic industry have fallen victim to increasingly rigorous international competition, American musical products remain a flagship of American exports and one of the few consistent areas of trade surplus."

However, American songwriters, music publishers, recording artists are not able to benefit from foreign royalty payments on home taping because the United States does not have a similar royalty provision. The lack of reciprocity denies the American music industry millions of dollars worth of foreign home taping royalties. This legislation will be a first step toward reclaiming those royalties and improving our balance of trade.

Most importantly, American consumers, who to date are being denied access to this important technology, will be the big winners.

The Audio Home Recording Act of 1992 is a model compromise that combines benefits for consumers and industry. It can lead the way in improving competitiveness while providing consumers with access to exciting technology.

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The SPEAKER pro tempore (Mr. BROWDER). Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

[Mr. ANNUNZIO addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]