

## Changes to the Current Television Model Could Drastically Upset a System That Ensures Local Communities Have Access to Local Media

*The existing local television market system was carefully designed to promote localism.*

- Congress designed the modern broadcasting system to ensure the availability of local news and information to communities across the country. This emphasis on universal and equal access has been reaffirmed consistently by Congress and the Federal Communications Commission (FCC) over the years.
- When the FCC allocated spectrum for television, it chose to assign frequencies to a number of local markets centered on population centers. As local markets evolved, this system guaranteed that communities of all sizes and in all parts of the country would have broadcast outlets that served their needs and interests.
- With the development of cable and satellite television, Congress and the FCC acted to preserve broadcast localism by allowing stations to enforce contracts with their program suppliers that provided them with the right to be the exclusive providers of programming, particularly network programming, in their markets. This exclusivity was then and remains today crucial to the continued viability of the local broadcast model. If a cable or satellite system serving one community could import signals from a distant market that substantially duplicates the programming of a local station, that local station would be unable to attract enough viewers and advertisers to support costly local news and programming operations.

*While no system is perfect, the current system works for communities of all sizes.*

- Today, there are 210 local media markets in which multiple broadcasters provide vital local news, weather, sports, emergency updates and entertainment programming for communities of all sizes in all parts of the nation.

*Proposals that will allow cable and satellite companies to indiscriminately import alternative in-state broadcast stations could jeopardize the local media system.*

- Nearly half of the nation's television Designated Market Areas (DMA) cross state lines because major population centers are often located near state borders. The size and shape of DMAs across the nation vary widely due to differences in population density and topography. Some DMAs like Washington DC cover small, densely populated areas while other DMAs like Denver cover vast urban and rural swaths of the West. Many DMAs like St. Louis straddle state lines and serve significant populations in more than one state. Television markets centered on larger cities and towns have been the foundation of the local broadcast system for nearly 70 years.
- Recent concerns that viewers in some states receive local programming from a geographically close, but out-of-state broadcast station have led to proposals that would allow cable and satellite systems to import out-of-market in-state programming. These

proposals are designed ostensibly to help cable and satellite viewers, but not over-the-air viewers, receive in-state news, sports and public affairs programming.

- These proposals are intended to boost localism. In fact, they will have the opposite effect. In addition to in-state programming, cable and satellite systems would import huge quantities of duplicative network programming that would eviscerate local affiliate-network contracts and quickly undermine in-market stations' ability to generate revenue.
- The proposals would also upend the foundation of localism by creating a "race to the bottom" in which cable and satellite television providers would not be required to carry the stations that are most connected to the local community, but instead carry those stations willing to provide their signal at the lowest price. Stations serving big cities could come to dominate smaller market stations and communities around the country will lose access to local media service.
- The dominance of large-market stations would mean viewers in smaller markets would lose access to news about their local civic affairs, to vital emergency information, to local sports and to the presence of a local broadcaster that is an important part of the community.
- Put simply, these proposals would largely benefit cable and satellite television providers and harm local television stations. They could spell the beginning of the end of localism in TV broadcasting in two ways. First, local advertisers will pay less to advertise in programs with fewer viewers who are watching the same program on a distant signal. Second, local stations' ability to negotiate for retransmission consent will be compromised if cable and satellite television providers can also negotiate with out-of-market stations.
- At a time when local newspapers are failing nearly every week, citizens can not afford proposals that could mean the loss of more local media.

*Congress has options for addressing the specific concerns of impacted communities without upending the entire locally-oriented system. Viewers everywhere will be better served if Congress focuses on tailored solutions rather than sweeping changes.*

- First, existing law allows cable and satellite companies to bring in from adjacent markets *non-duplicating* local news, information or sports programming. In fact, this is happening today in markets across the country. This solution can be implemented without Congressional or FCC action and without threatening localism.
- Second, existing regulations create a mechanism that allows the FCC to make adjustments to DMAs. Under existing law, a cable operator can petition the FCC to modify a market on a case-by-case basis, provided that the shift is consistent with the general goal of localism and meets certain requirements. Current law can be amended to provide satellite carriers the same ability.