114th Congress
BROADCASTERS’ POLICY AGENDA
NATIONAL ASSOCIATION OF BROADCASTERS
Our Mission

The National Association of Broadcasters is the voice for the nation’s radio and television broadcasters. We deliver value to our members through advocacy, education and innovation.

As the premier trade association for broadcasters, NAB advances the interests of our members in federal government, industry and public affairs; improves the quality and profitability of broadcasting; encourages content and technology innovation; and spotlights the important and unique ways stations serve their communities.
Radio and television broadcasters serve their local communities in remarkable ways each and every day. Broadcasters are the men and women uniquely tied to the people they serve — they are committed not only to innovation, but also to serving the public interest. They are the radio and TV stations that support our nation’s democratic ideals.

And when the power goes out and other communications systems are down, your local stations are always on. But stations serve your communities in many other invaluable ways every day.

Local radio and TV stations generate more than $10 billion in community service in a single year. It is an astounding number that reflects the work of thousands of broadcasters that support charities and victims of disasters, create awareness about important health and safety issues and help rescue abducted children with AMBER Alerts.

As the most trusted source of news, broadcasters are committed to finding the truth and giving people the information they need to be informed citizens. Local stations’ investigative news units uncover government corruption, question those in power and expose those who abuse their positions.

There is no substitute for broadcasters’ service to their local communities — and there is no denying broadcasting’s economic impact.

The local broadcast radio and television industry contributes $1.24 trillion of Gross Domestic Product and 2.65 million jobs to the American economy annually.

Broadcasters are excited about the future and are innovating to expand their services across emerging platforms, enabling them to better meet the needs of their listeners and viewers.

As the voice of America’s broadcasters in the nation’s capital, NAB will emphasize broadcasting’s vital role in every local community as decisions are made about the industry’s future. This report outlines a few of the important policies and initiatives broadcasters are focused on in the 114th Congress.

America’s Broadcast Stations: Informing, Entertaining and Connecting Communities

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Broadcasters create and deliver the most compelling and popular programming on television – more than 90 percent of the highest-rated primetime shows are on local channels. Broadcast content provides real value to cable and satellite companies, which negotiate with broadcasters for the right to resell their signals in a process known as retransmission consent.

In 1992, Congress granted retransmission consent in legislation intended to curb excessive cable rate increases while promoting competition in the video marketplace. Prior to this, cable operators used broadcast signals without stations’ consent and resold those signals to their subscribers, making millions.

Today, local stations and pay-TV providers hold private, market-based negotiations that provide incentives for both parties to come to mutually beneficial arrangements. Stations reinvest the revenue provided by these negotiations into local news and public affairs programming, high-quality entertainment, coverage of emergency weather events and community activities.

Pay-TV companies unfairly try to blame retransmission consent for higher consumer prices, while at the same time recording record profits year after year. The truth is, consumers’ pay-TV bills have routinely increased faster than the rate of inflation, and the fees paid by consumers for set-top box rentals alone far surpass the amount pay-TV companies pay to all broadcast stations combined in most markets.

As Congress seeks to update the Communications Act, it is expected that pay-TV providers will again lobby policymakers to alter the retransmission consent system in their favor.

Several pay-TV providers have brought petitions before the Federal Communications Commission (FCC) that would restrict broadcasters’ ability to freely negotiate for retransmission consent and establish an intrusive government role in the process.

The current system should be left alone, as it benefits TV viewers, enabling stations to provide them with more programming choices and services.

Broadcasters will unite in fighting for policies that promote stations’ ability to conduct private, market-driven negotiations for retransmission consent.

Nearly 60 million Americans rely exclusively on broadcast television (and do not subscribe to cable or satellite service).
Broadcasters are innovating to expand the delivery of their highly-valued content to new platforms, providing the best possible service to consumers when and where they want it—for free. While emerging technologies create new opportunities for radio broadcasters to serve their listeners, many stations still do not simulcast their transmissions over the Internet due to exorbitant royalty rates for music streaming.

NAB is working to ensure that new royalty rates determined in 2015 will fairly compensate artists while permitting more radio stations to stream music for their listeners on-the-go. The Copyright Royalty Board (CRB) sets the digital performance royalty rates every five years, and the current rate-setting process is happening in 2015. NAB believes the new rates should be set at a level that encourages more listener choice through streaming instead of impeding this innovation.

In addition to the immense promotion local radio stations provide to artists, which supports music and concert sales, broadcasters also bring unique benefits to their listeners through local news and programming; on-air hosts that connect with the community; and important emergency, weather and traffic information. This should be a primary consideration of the CRB in setting new rates.

Unfortunately, at the same time, there are efforts by some on Capitol Hill to make streaming even more expensive. Reps. Doug Collins (GA-09) and Hakeem Jeffries (NY-08), have introduced legislation that seeks to increase the royalties paid to songwriters when their music is streamed. While NAB supports fair compensation for songwriters, broadcasters oppose this bill that would place on webcasters alone the burden of any increased payments to songwriters.

Separately, NAB will also continue its significant involvement in the House Judiciary Committee’s comprehensive review of the Copyright Act. Broadcasters will continue to explain how both the current rate setting standard and regulatory burdens posed by the Copyright Act’s compulsory license for webcasters inhibits consumer choice by discouraging streaming.

Broadcasters urge members of Congress and all interested parties to work together to establish fair streaming rates and regulations that benefit artists and provide more consumer choice by encouraging radio stations to stream music.

Streaming Rates: Encourage More Choice for Listeners

More than 240 million people listen to radio each week.
Television broadcasters are innovating and using their spectrum – or airwaves – to develop new technologies that allow viewers to access their favorite shows, news, emergency information and weather updates anytime and anywhere.

In 2012, Congress authorized the Federal Communications Commission to create rules to conduct a voluntary incentive auction of broadcast spectrum. As the FCC creates the rules for the auction, broadcasters are working to ensure that the FCC implements the law as Congress intended. Above all, broadcasters have stressed the importance of continuing to provide viewers with the local broadcast stations and services they expect.

NAB has challenged in federal court certain elements of the FCC’s spectrum incentive auction, including its decision to change the methodology used to predict local TV coverage areas and populations served. The FCC’s methodology could result in significant loss of viewership of broadcast TV stations after the FCC “repacks” TV stations into a shrunken TV band, thus leaving some viewers without the TV channels they rely on today.

Truly voluntary spectrum incentive auctions should not harm broadcasters that choose not to participate, ensuring viewers retain access to the local news, emergency information and quality programming they rely on, and safeguarding viewers’ ability to take advantage of broadcast innovations on the horizon.

Broadcasters will continue to urge the FCC to conduct the spectrum incentive auction as Congress intended. NAB is advocating for rules that are fair for broadcasters who elect to participate in the auction and for those who do not. Stations that remain on the air must be able to innovate and thrive in the future.

Spectrum Incentive Auctions: Ensuring Spectrum Policies Serve the Public
Local Radio Freedom Act: Recognizing Radio’s Vital Role in Communities

Each week, more than 240 million listeners turn to their local radio stations for music, weather and traffic updates and news they rely on – all for free. Beyond entertainment, radio provides jobs to the community and a vital lifeline during times of crisis.

For decades, record labels and performers have also greatly benefitted from the support of local radio stations, which provides them with free promotion – as much as $2.4 billion annually. But in recent years, record labels have struggled financially, resulting in their attempts to impose a harmful fee, or performance tax, on local radio stations.

As the House Judiciary Committee undertakes its review of the Copyright Act, the big record labels once again have called for the imposition of a performance tax. A tax on radio could financially cripple broadcasters, reduce the variety of music stations play and stifle new artists trying to launch careers. Small stations, including those that are minority-owned, would be especially hurt.

NAB and its members worked with congressional leaders to reintroduce the Local Radio Freedom Act, a resolution opposed to any new performance tax on free broadcast radio. Reps. Mike Conaway (TX-11) and Gene Green (TX-29) introduced the resolution in the House, and Sens. John Barrasso (WY) and Heidi Heitkamp (ND) introduced a companion resolution in the Senate. Cosponsorship of this important resolution, which garnered a bipartisan majority of the House of Representatives during the last Congress, sends a strong signal that the Copyright Act should not be modified to impose such a performance tax.

NAB continues to oppose any congressional-mandated performance tax, yet remains open to continued good faith discussions with the music industry to resolve this issue. Some recent private agreements between individual broadcasters and record labels compensate artists for both Internet and over-the-air play. These agreements demonstrate that this issue is more appropriately addressed through individual marketplace agreements than a one-size-fits-all government mandate.

Nearly 250 bipartisan policymakers cosponsored the Local Radio Freedom Act in the 113th Congress.

In the 114th Congress, broadcasters will again galvanize radio champions to support the Local Radio Freedom Act and unite against any legislative attempts to impose a new performance tax on local radio stations.
Broadcasters are investing in new technologies that expand the delivery of their highly-valued content to listeners and viewers across emerging platforms.

NAB Labs, NAB’s innovation initiative, is leading several technology projects that are propelling radio and television into the future.

**Hybrid FM Radio:** This spectrum-efficient technology provides listeners with a new broadcast experience on mobile devices that is dependable during emergencies and provides the interactivity listeners seek. NAB Labs is contributing to the continued development of the NextRadio app – the only app currently providing listeners with a hybrid FM experience, including free broadcast radio, on smartphones. Broadcasters are working to make hybrid FM radio a key part of the automotive dashboard of the future.

**HD Radio:** Broadcasters are working together to expand the availability of this technology, which enables radio stations to deliver content digitally with superior sound quality and more programming choices. This service continues to gain momentum with HD Radio receivers now available in 35 automotive brands. There are more than 2,200 HD Radio stations on the air presenting over 1,500 additional channels for listeners.

**Next Generation Platform:** Broadcasters are working to further develop new technology platforms that will expand the quality and delivery of viewers’ favorite content. Next generation television broadcasting can deliver ultra high-definition TV, along with interactivity, personalized services, mobility and more, providing spectacular images and immersive sound to enhance the TV viewer experience.

Broadcasters will continue to support policies that allow them to innovate to improve the delivery of the news, emergency information, sports and entertainment that audiences value for generations to come.

**Looking to the Future**

NextRadio fans enjoy 2+ million hours of listening through the app.
America’s broadcasters are dedicated to serving their local communities.

These men and women stand ready to engage in the policy discussions that shape broadcasting’s future.

For more information on the issues that affect radio and television broadcasters, please contact the National Association of Broadcasters’ advocacy team or visit us at nab.org/advocacy.

Contact Us
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17,217 Total broadcast stations in the U.S.
1,785 Television stations
15,432 Radio stations

All data current as of January 26, 2015