

Before the  
Federal Communications Commission  
Washington, D.C. 20554

In the Matter of )  
 )  
The State of Competition in the ) GN Docket No. 26-78  
Communications Marketplace )

COMMENTS OF  
THE NATIONAL ASSOCIATION OF BROADCASTERS

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**I. INTRODUCTION AND SUMMARY**

Thirty years ago when passing the Telecommunications Act of 1996, Congress recognized the substantial changes to the communications marketplace even in the analog era and sought to “preserve and to promote the competitiveness of over-the-air broadcast stations” by reforming the outmoded structural regulatory framework imposed on broadcasting.<sup>1</sup> But despite congressional intent and the total transformation of the video and audio marketplace since 1996 by digital technologies and the internet, broadcasters today still are forced to compete on a playing field fundamentally tilted against them. The competitive viability of many local broadcast stations is now in peril, as broadcasters burdened by highly asymmetric regulations – and facing unprecedented competition for audiences and advertising revenues from much larger competitors – struggle to provide valued programming services, including news, increasingly expensive sports programming, weather, and emergency information, free to the public in local communities across the nation. While broadcasters embrace the unique and vital opportunity to serve the public

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<sup>1</sup> H.R. Rep. No. 104-204, at 48, 54 (1995), *reprinted in* 1996 U.S.C.C.A.N. 10, 11, 18 (also observing that broadcast regulation dated back in many instances to the 1940s).

interest in their local communities, it's simply taken for granted that broadcasters must provide this service at their own expense but free to consumers.

As the National Association of Broadcasters (NAB)<sup>2</sup> illustrates below, the challenges facing broadcasters continue to rise, with local stations experiencing ever-greater competition for audiences and advertising from myriad lesser (or un-) regulated content providers and digital advertising platforms. Data from leading industry analysts, including Nielsen, Edison Research, Borrell Associates, and BIA Advisory Services, all confirm that local broadcast stations have lost significant audience share and advertising revenues to their media and advertising market competitors that are unencumbered by artificial restrictions on their scale and scope. Streaming via smart TVs, smart phones, and other digital devices now dominates the media landscape, and the giant tech platforms dominate local advertising markets, at the expense of locally-based broadcast (and print) outlets that serve local communities. These fundamental technological and market changes have necessarily and dramatically affected the competitive position of advertising-supported free over-the-air broadcast stations.

The Commission should consider all these important developments and trends in preparing its upcoming report to Congress on competition in the communications marketplace. The 2026 report should take seriously the obligation to address “all forms of competition,” including intermodal and competition from new and emergent services, and evaluate how the digital and internet revolutions have transformed “competition to deliver”

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<sup>2</sup> NAB is the nonprofit trade association that advocates on behalf of free local radio and television stations and broadcast networks before Congress, the Federal Communications Commission and other federal agencies, and the courts.

video and audio services and placed significant and increasing competitive stress on the public's free over-the-air broadcast services.<sup>3</sup>

While previous Commissions have clung to the outmoded notion that broadcast radio stations compete only against other radio stations and that broadcast TV stations only compete against other TV stations so as to justify retention of outdated and harmful structural ownership restrictions, the recent order approving the merger of Nexstar and TEGNA finally took a more realistic look at competition, jettisoning the FCC's long-standing, antiquated assessment in favor of a modern, evidence-based view of the media and advertising markets. The order correctly rejected "backwards-looking" arguments that broadcasters compete only among themselves, instead finding that broadcasters compete against digital advertisers and compete for viewers and listeners against various technology platforms, ranging from streaming to podcasting. This report to Congress on competition should follow the merger order's conclusions.

Beyond recognizing the unprecedented level of competition in today's media and advertising markets and how that competition has impacted local stations and their ability to offer services free to the public, the Commission has the opportunity in further proceedings to continue overhauling the competitively harmful broadcast regulatory regime. In the FCC's Delete, Delete, Delete proceeding in 2025, NAB identified numerous outdated and burdensome broadcast rules that no longer promote the public interest (if they ever did). Some of these regulatory policies place unnecessary speedbumps in the path of broadcast innovation but do not burden the deployment of improved technologies by other participants

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<sup>3</sup> FCC, *Office of Economics and Analytics Seeks Comment on the State of Competition in the Communications Marketplace*, Public Notice, GN Docket No. 26-78, DA 26-333, at 1 (Apr. 6, 2026) (Notice) (citing 47 U.S.C. §§ 163(d)(1) & (b)(1)).

in the communications marketplace. As the Commission well knows, broadcasters need significant resources to invest in innovations such as NextGenTV and national security imperatives like the Broadcast Positioning System, and it should actively seek ways to promote deployment of broadcast technologies enabling enhanced services to the public.

Above all, NAB strongly urges the Commission to modernize its *ex ante* broadcast ownership rules – the 39 percent national TV ownership cap, the 30-year-old local radio ownership caps, and the local TV rule’s two-station limit applicable in all 210 U.S. Designated Market Areas, as though competitive conditions were the same in New York City as in Glendive, Montana. These restrictions predate internet ubiquity, the proliferation of digital devices, and widespread adoption of audio and video streaming services, as well as the growth of Big Tech. Reforming asymmetric ownership rules will help broadcasters achieve reasonable scale and enable the industry to better attract vital investment. Modernizing these ownership rules is the most important action the FCC can take to promote the viability of the public’s free over-the-air broadcast services.

## **II. COMPETITION TO BROADCASTERS FROM MULTIFARIOUS, AND OFTEN MAMMOTH, AUDIO AND VIDEO SOURCES AND ADVERTISING PLATFORMS IS FIERCE AND FORMIDABLE**

NAB already has documented the transformation of the media and advertising markets due to internet ubiquity; the widespread adoption of myriad digital devices for accessing almost infinite sources of online audio and video content available 24-7-365; and the remarkable growth of giant technology platforms to dominate the local and national advertising market. We also demonstrated how these fundamental changes have profoundly affected the competitiveness of advertising-reliant radio and TV stations.<sup>4</sup> Rather than repeat

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<sup>4</sup> See, e.g., Comments of NAB, MB Docket No. 22-459, at 44-62, 82-102 (Dec. 17, 2025); Comments of NAB, MB Docket No. 17-318, at 6-19 (Aug. 4, 2025); Written Ex Parte

all these previous lengthy submissions, NAB updates the extent to which competition from nonbroadcast sources – often exponentially larger than any broadcast groups – now impact the viewership, listenership, and advertising revenues of local stations.

***Competition for Audiences in the Audio Market.*** Changes in technology and ownership of technology have fundamentally altered the public’s audio consumption habits. According to Edison Research, 39 percent of audio listening time (U.S. population 13+) is done via mobile devices, and 61 percent of all listening time is via digital devices of various kinds, including mobile devices, computers, internet connected TVs, and smart speakers.<sup>5</sup> In contrast, 28 percent of audio listening time is via AM/FM radio receivers.<sup>6</sup> For persons ages 13-34, over three-quarters (77 percent) of their audio listening time is via digital devices, with 51 percent done via mobile devices.<sup>7</sup> Data over time show that consumers have substituted mobile devices in place of AM/FM radios for listening. From 2014-2025, listening done via AM/FM receivers fell from 49 to 28 percent of all audio listening time, while practically in lockstep listening via mobile devices rose from 18 to 39 percent.<sup>8</sup>

Notably, digital devices are multi-purpose and permit consumers to access different types of audio content and to switch between audio and video content, thereby increasing competition between audio and video services for audiences’ time and attention. For example, how people consume content on their TVs is changing, with more time being spent

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Communication of NAB, MB Docket No. 17-318, at 6-21 (Apr. 2, 2025); Comments of NAB, GN Docket No. 24-119, at 5-21 (June 6, 2024).

<sup>5</sup> Edison Research, *Share of Time Spent Listening to Audio Sources (Q4 2025)* (Edison Q4 2025 Share of Ear).

<sup>6</sup> *Id.* The remaining listening time is done via SiriusXM receivers, CD players, etc.

<sup>7</sup> Edison Q4 2025 Share of Ear.

<sup>8</sup> Edison Q4 2025 Share of Ear.

accessing audio on internet-connected TVs.<sup>9</sup> Audio and video services also now blend together. Music is not just about listening. It has become more of a visual experience as consumers' engagement with social media, short video clips, and music videos grows via platforms like YouTube, TikTok, and Instagram.<sup>10</sup> Similarly, podcasting is no longer merely aural, and the rapid growth of video podcasting has increased podcast consumption overall.<sup>11</sup> Non-broadcast platforms – especially YouTube and Spotify – “are racing to dominate video podcasting.”<sup>12</sup> Netflix is moving into video podcasts to rival YouTube, and agreed last fall to stream a selection of Spotify's video podcasts starting in 2026.<sup>13</sup> And Spotify has a new FAST channel focusing on video podcasts to be available for free exclusively on Samsung TVs.<sup>14</sup> As the silos between audio and video break down, the range of content against which radio and TV stations must compete will only grow.

Predictably given consumers' rapid adoption of myriad digital devices, online audio has exploded in popularity. As of January 2026, 76 percent of the U.S. 12+ population (219 million people) reported listening at least weekly to online audio, while in 1998 only six percent had ever listened to online audio.<sup>15</sup> Among those ages 12-34, 88 percent listen at

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<sup>9</sup> Edison Research, *America's Surprising TV Habit*, Weekly Insights (July 9, 2025).

<sup>10</sup> The majority (53%) of time spent consuming audio content on internet-connected TVs is spent with YouTube for music and music videos. *Id.*

<sup>11</sup> See Edison Research at SSRS, *The Infinite Dial 2026*, at 34-36, 40-41 (Mar. 12, 2026) (*Infinite Dial 2026*).

<sup>12</sup> J. Goldman, *Gen Z drives Spotify's pivot toward video podcasting*, *emarketer.com* (June 25, 2025).

<sup>13</sup> T. Spangler, *Netflix to Stream Selection of Spotify Video Podcasts Starting in 2026*, *variety.com* (Oct. 14, 2025).

<sup>14</sup> R. Davies, *Spotify's first ever TV channel is coming exclusively to Samsung TVs – and it's completely free to access*, *techradar.com* (Oct. 16, 2025).

<sup>15</sup> *Infinite Dial 2026* at 6, 13.

least monthly to online audio, as do 87 percent of those ages 35-54, numbers that approach broadcast radio's monthly reach among U.S. adults.<sup>16</sup> Spotify, YouTube Music, Pandora (owned by SiriusXM), Apple Music, and Amazon Music – nary a small competitor among the lot – remain the “top five” online audio brands used by consumers.<sup>17</sup> Fifty-eight percent of the U.S. population ages 12+ (167 million people) also listen to or watch podcasts at least monthly, and 45 percent (130 million people) consume podcasts weekly.<sup>18</sup>

Unsurprisingly, the widespread consumer adoption of non-broadcast technologies and non-broadcast audio content has fragmented and significantly reduced radio broadcasters' formerly mass audiences. Edison Research's first “Share of Ear” survey in 2014 (see first graphic below) showed that AM/FM radio's share of all the time consumers spent listening to audio sources was 53 percent (counting listening to both OTA and AM/FM streams). But by the fourth quarter of 2025 (see both graphics below), broadcast radio's share had fallen to 32 percent, a decline of 40 percent in just over a decade. Time spent with “pureplay” streaming music, YouTube, and podcasts<sup>19</sup> all increased very substantially during those 11 years – by 127.3, 133.3, and 450 percent, respectively – at broadcast radio's expense, and they now account for *half* of all time spent listening by the U.S. population ages 13+.<sup>20</sup>

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<sup>16</sup> *Id.* at 12; C. Coats, *Nielsen: Radio's 92% Reach and ROI Rival Social Media*, radioink.com (Oct. 15, 2025). Among those ages 55+, 70% now listen at least monthly to online audio, up from just 52% in 2024.

<sup>17</sup> Infinite Dial 2026 at 14-15.

<sup>18</sup> Infinite Dial 2026 at 35, 39. About two-thirds of consumers under age 55 listen to or watch podcasts at least monthly. *Id.* at 38.

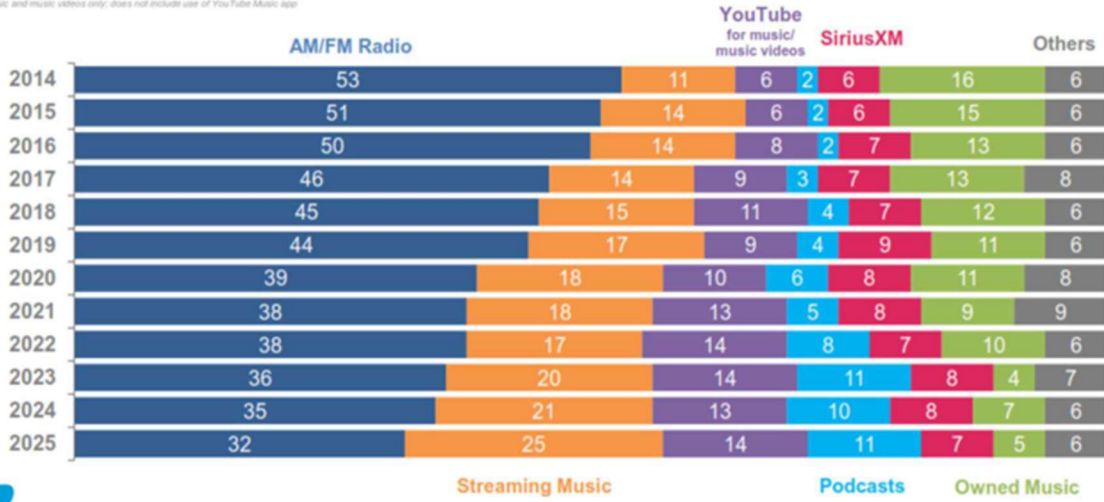
<sup>19</sup> “Streaming music” includes services such as Amazon Music, Apple Music, Pandora, Spotify, and YouTube Music. “YouTube” is for music and music videos only and does not include the YouTube Music app.

<sup>20</sup> Obviously, the decline in broadcast radio's share of listening from 1996 – before the advent of streaming audio services and satellite radio – would be much greater. By 2014,

# Share of Time Spent Listening to Audio Sources

## U.S. Population 13+

AM/FM Radio includes over the air and radio streams  
Streaming Music includes services such as Amazon Music, Apple Music, Pandora, Spotify, YouTube Music, and others  
YouTube is for music and music videos only; does not include use of YouTube Music app

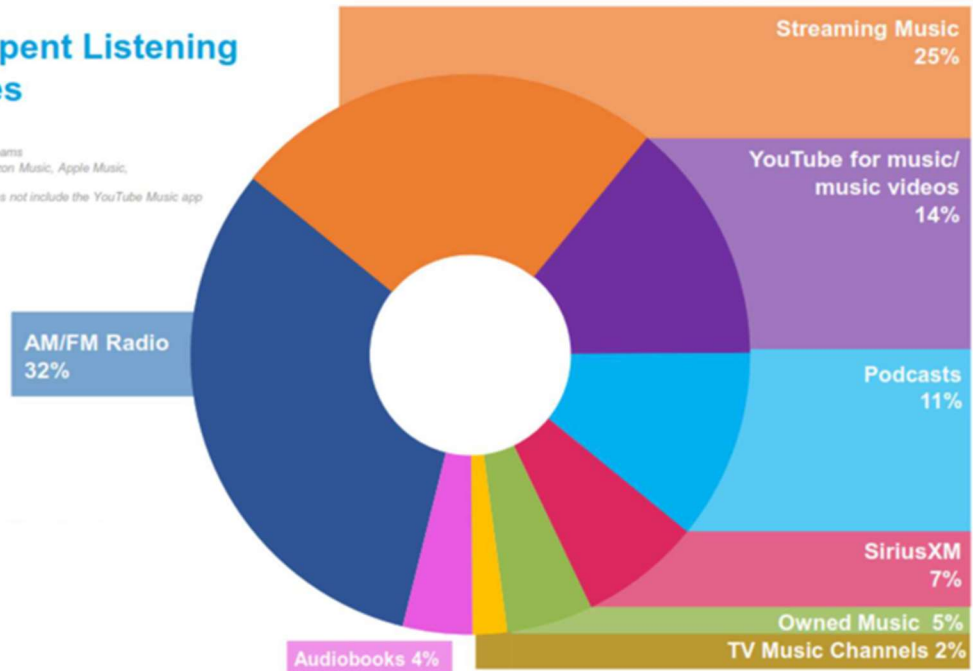


Edison Research Share of Ear © 2014-Q4 2025

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Edison Research Share of Ear © Q1 2025 – Q4 2025

radio stations' mass audiences had already begun to erode, with 25% of listening time spent with streaming music, YouTube, SiriusXM, and podcasting.

These data establish that consumers are increasingly substituting non-broadcast audio sources in place of much of their listening to terrestrial radio stations. That substitution, moreover, will only continue to increase because younger consumers (ages 13-34) now spend only 19 percent of their listening time with AM/FM radio, less than their share of time spent with music and music videos on YouTube *alone*.<sup>21</sup>

While AM/FM radio remains stronger among in-car users, only 28 percent of audio consumption occurs in the car,<sup>22</sup> and even there, consumers have increasingly incorporated non-broadcast audio at the expense of local stations. Fifty-four percent of audio listening time in a car/truck is still to AM/FM radio, but 41 percent of in-car listening time is now earned by streaming music, Sirius/XM, YouTube, and podcasts combined (with remaining listening to owned music and audiobooks).<sup>23</sup> From 2016-2026, the percentage of those ages 18+ that use online audio in the car rose from only 21 percent to 48 percent.<sup>24</sup> Younger consumers lead this shift to online audio in vehicles, with 73 percent and 55 percent of those ages 18-34 reporting use of online audio and podcasts, respectively, in the car in the past month.<sup>25</sup> Last July, Sirius/XM launched a lower-cost, ad-supported subscription tier “in an attempt to steal listeners and brands from over-the-air radio.”<sup>26</sup>

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<sup>21</sup> Americans ages 13-34 spend 69% of their time listening to streaming music (38%), YouTube (20%), and podcasts (11%). Edison Q4 2025 Share of Ear.

<sup>22</sup> *Id.* The majority of audio listening (56%) occurs at home, and AM/FM radio receives only 24% of in-home listening, with streaming music, YouTube, and podcasts receiving 59% of in-home listening. *Id.* (U.S. population 13+).

<sup>23</sup> Edison Q4 2025 Share of Ear (U.S. population 13+).

<sup>24</sup> Infinite Dial 2026 at 26 (U.S. population 18+ who had driven/ridden in a car in the last month).

<sup>25</sup> *Id.* at 28.

<sup>26</sup> C. Coats, *SiriusXM's Big Play: New Ad Tier Takes Aim at Broadcast Radio*, radioink.com (July 15, 2025). Priced at under \$7 per month, this new SiriusXM Play service offers over 130

Among those ages 18+ who have driven/ridden in a car in the past month, 41 percent have either Apple Car Play or Android Auto in their primary vehicle,<sup>27</sup> and this has significantly transformed in-car listening. Those with neither Apple CarPlay nor Android Auto in their primary vehicle spend 62 percent of their in-car listening time with AM/FM radio, while those with one of the systems spend only 47 percent of their in-car listening time with AM/FM, while listening more to streaming platforms and SiriusXM.<sup>28</sup> Consumers clearly are substituting streaming and satellite radio in place of terrestrial radio even in its traditional stronghold of the car. And as more Americans have vehicles with auto/phone integration systems and built-in connectivity,<sup>29</sup> AM/FM radio will experience ever greater competition for in-car audiences – even assuming automobile manufacturers will continue making AM/FM radio reasonably accessible within their vehicles’ in-dash infotainment systems or keep AM/FM receivers in vehicles at all.<sup>30</sup>

Notably, radio stations’ competition for audiences comes not just from free streaming platforms but also from paid audio services. Edison Research reported that, as of Q1 2025, 51 percent of Americans ages 13+ paid for at least one audio subscription (e.g., paid on-

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channels of music, sports, news, and talk in the car, along with expanded content via the SiriusXM app, and claims it will have half the ad load of AM/FM radio. *Id.*

<sup>27</sup> Infinite Dial 2026 at 29.

<sup>28</sup> Edison Research, *CarPlay and Android Auto Bring Digital into the Car, but Radio Remains Popular*, Weekly Insights (Sept. 10, 2025) (U.S. population 13+).

<sup>29</sup> McKinsey & Co. forecasts that 90% of cars will have built-in connectivity by 2030. Gracenote/Nielsen, *In the driver’s seat: How infotainment systems can level up the in-car entertainment experience* (Oct. 2025).

<sup>30</sup> Major auto makers such as GM have plans to drop CarPlay and Android Auto in favor of their own infotainment systems and software. See, e.g., J. Charniga, *GM plans to drop CarPlay, Android Auto for all cars in favor of voice-activated system*, *usatoday.com* (Oct. 27, 2025); D. Newcomb, *The Real Reason Automakers Are Ditching Apple CarPlay and Android Auto*, *motortrend.com* (May 14, 2025).

demand streaming service, satellite radio).<sup>31</sup> According to RIAA's conservative estimates, the number of U.S. paid premium music streaming subscriptions reached 106.5 million by year-end 2025, up from only 10.8 million in 2015.<sup>32</sup> Even though providers such as Spotify, Amazon, Pandora, and YouTube Music offer both free and paid versions of their streaming music platforms, listening time has shifted dramatically from free to paid streaming music services. As shown below, in 2015 free sources received 78 percent of listeners' daily time spent with streaming music, while only 22 percent of listening time went to paid streaming sources, but as of Q3 2025, the script had flipped. Paid platforms now receive 66 percent of daily time spent with streaming music, and free sources only receive 34 percent of such time spent listening. The Commission therefore cannot ignore or discount competition to terrestrial radio from paid music streaming and other subscription audio sources.

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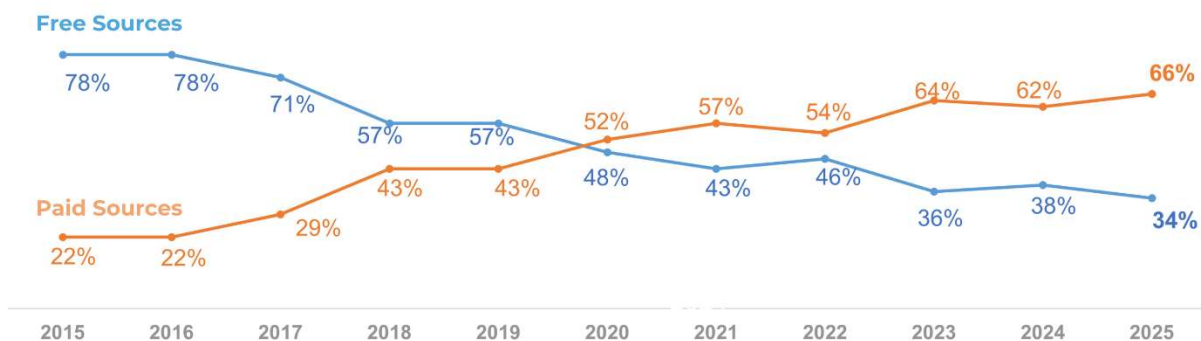
<sup>31</sup> Edison Research, *Majority of Americans Pay for Audio, But Some are Cutting Services*, Weekly Insights (May 14, 2025). Thirty-five percent of Americans pay for one audio subscription service, 10% pay for two services, and 6% pay for more than two. The number of consumers paying for more than two services has declined since 2022, but the number paying for one subscription audio service has grown.

<sup>32</sup> RIAA Reports: *US Recorded Music Annual Revenue Achieves New High of \$11.5 Billion in 2025*, News Release, [riaa.com](http://riaa.com) (Mar. 16, 2026); RIAA, *2018 Year-End Music Industry Revenue Report*, at 2 (Feb. 28, 2019). RIAA counts multi-user plans as a single subscription and excludes limited-tier subscriptions (services limited by factors such as catalog availability, device/access restrictions, or on-demand limits).

## Listening Time Shifts from Free to Paid Streaming Music Platforms

### Share of Daily Time Spent with Streaming Music

U.S. Population 13+



Does not include listening to AM/FM radio music stations online

Source: Edison Research Share of Ear® 2014 - Q3 2025

Edison Research is a part of SSR5

In short, being available free-of-charge clearly does not make AM/FM radio “unique” in any realistic analysis of competition or confine it to some imaginary separate market. First, myriad free music streaming platforms are available to anyone with a smartphone – that is, virtually everyone. The major music streaming platforms offer free tiers with varying features, and recommendations abound for those wanting to stream music without spending a dime.<sup>33</sup> YouTube provides free ad-supported music and music videos online, and podcasts are easily accessible on free platforms including YouTube and Spotify, the leading podcast platforms.<sup>34</sup> Second, the evidence is clear that free and paid directly compete, and that many consumers have replaced free with paid sources for substantial portions of their audio consumption. The mere fact that AM/FM radio offers services free to audiences cannot justify disparate

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<sup>33</sup> See, e.g., G. Zamora and J.L. Wilson, *The Best Free Online Streaming Music Services for 2026*, pcmag.com (updated Apr. 7, 2026).

<sup>34</sup> See, e.g., M. Jones, *Podcast ad revenues will grow consistently despite broader ad pullbacks*, emarketer.com (updated Apr. 22, 2025) (noting affordability of podcasting as a medium).

regulation of AM/FM radio, particularly retention of burdensome caps and subcaps on ownership of broadcast radio stations alone.

***Competition for Audiences in the Video Market.*** Americans' wholesale adoption of digital devices has fundamentally altered how they consume video content and the type of content consumed, enabling an explosion in usage of unregulated streaming services, including subscription video on demand, ad-supported subscription video on demand, and free ad-supported streaming TV, which compete with broadcasters for audiences and, increasingly, advertisers.<sup>35</sup> Studies and data released in the past few months show that these trends have continued. For example:

- According to a recent report, streaming and connected TV “now represent the primary delivery system for content across every generation, income tier, and device.”<sup>36</sup> Over three quarters (76 percent) of U.S. adults report that “digital video” is their “default source for viewing TV/video content” (i.e., the first source turned on).<sup>37</sup> When asked to indicate all the devices they used to watch TV/video in the past 30 days, the top three responses by a large margin were “streaming app” (79 percent), “connected TV” (72 percent), and “smartphone/mobile” (59 percent).<sup>38</sup>
- Recent reports reconfirm that video streaming is nearly universal. Consumers continue to “stack” multiple paid and free video streaming services.<sup>39</sup>

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<sup>35</sup> See, e.g., Comments of NAB, MB Docket No. 22-459, at 83-91 (Dec. 17, 2025).

<sup>36</sup> Adtaxi, *The Era of Digital Video: CTV & Streaming 2026*, at 3 (Feb. 2026) (Era of Digital Video).

<sup>37</sup> *Id.* at 6. “Digital video” includes both streaming platforms (e.g., Netflix, YouTube, Hulu) and connected TV devices (e.g., Apple TV, Fire TV Stick, Chromecast). Nearly six-in-ten (58%) of U.S. households have connected TV devices. *Id.* at 5.

<sup>38</sup> *Id.* at 12 (reporting that consumers now use an average of 3.6 viewing devices).

<sup>39</sup> See, e.g., Era of Digital Video at 13, 16-17, 26 (reporting that about nine-in-ten U.S. adults engage with streaming or connected TV and that the average streaming household pays for 3.5 different services and uses 3.3 free services); Deloitte Insights, *2026 Digital Media Trends*, at 1 (Mar. 25, 2026) (finding that 90% of U.S. households have at least one paid subscription video on demand service and that households pay for an average of four such services).

- Free ad-supported streaming TV channels are vast in number and continue to proliferate,<sup>40</sup> and both free ad-supported streaming and ad-supported subscription video on demand have rapidly increased their household penetration. Sixty-eight percent of U.S. streaming subscribers pay for an ad-supported tier.<sup>41</sup> Last fall, a Comscore report found that total hours watched across major free ad-supported streaming TV services grew by 43 percent from 2024 to 2025,<sup>42</sup> and data showed that 47 percent of U.S. households watched free ad-supported streaming channels weekly.<sup>43</sup> PwC has projected that free ad-supported streaming TV services in the U.S. will generate \$9 billion in revenue in 2029, up from nearly \$4.9 billion in 2024.<sup>44</sup>
- This growth in viewership of ad-supported subscription video on demand and free ad-supported streaming services results in increased competition for TV broadcasters in attracting advertising dollars. Reports proclaim that the “hottest destination for television advertising” is now ad-supported streaming platforms.<sup>45</sup> Prime Video is rolling out location-based interactive video ads that allow tailoring of national TV ads with location specific content, enabling advertisers to transform a single TV commercial into thousands of variants based on ZIP codes or states. This rollout “will further heighten the competition between streaming services and local broadcasters.”<sup>46</sup>
- Surveys in 2025 found that viewers spent only about one-quarter of their screen time on live TV,<sup>47</sup> and that social video accounts for 20 percent of all video consumed on

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<sup>40</sup> In February 2026, Nielsen’s Gracenote reported more than 2,060 free ad-supported streaming TV channels available worldwide. Gracenote Data Hub, [gracenote.com](https://gracenote.com) (last updated Feb. 19, 2026). The top-rated U.S. free ad-supported streaming TV channels, based on the number of average monthly users, are Tubi, The Roku Channel, and Pluto TV. G. Winslow, *Parks: Tubi, Roku Channel Are Top U.S. FAST Platforms*, [tvtechnology.com](https://www.tvtechnology.com) (May 13, 2026) (citing Parks Associates’ data).

<sup>41</sup> T. Spangler, *U.S. Household Spending on Streaming Video Services Remains Flat at \$69 per Month, as 68% Now Pay for Ad-Supported Tiers*, [variety.com](https://www.variety.com) (Mar. 25, 2026).

<sup>42</sup> *Report: Continued Growth for AVOD, FAST in U.S.*, Advanced Television (Oct. 30, 2025), <https://www.advanced-television.com/2025/10/30/report-continued-growth-for-avod-and-fast-channels-in-us/>.

<sup>43</sup> E. Gruenwedel, *Report: Nearly 50% of U.S. Households Watch FAST Channels Weekly*, [mediapost.com](https://www.mediapost.com) (Oct. 1, 2025) (citing data from Wurl).

<sup>44</sup> T. Spangler, *U.S. Streaming Video Market to Surge 33% by 2029 to Over \$112 Billion, PwC Forecasts*, [variety.com](https://www.variety.com) (July 23, 2025).

<sup>45</sup> S. Vranica and N. Rattner, *The TV Ad Market Is Being Taken Over by Streaming Platforms*, *The Wall Street Journal* (May 12, 2026) (citing projections that streaming TV advertising spend will nearly equal traditional linear TV advertising spend by 2029).

<sup>46</sup> G. Winslow, *Prime Video Launches Location-Based Interactive Video Ads*, [tvtechnology.com](https://www.tvtechnology.com) (Nov. 10, 2025).

<sup>47</sup> Hub Entertainment Research, *Decoding the Default* (Sept. 2025).

TV weekly.<sup>48</sup> Adtaxi's 2026 report on TV/video consumption found that nearly seven-in-ten adults now say that half or more of their viewing takes place online or through digital streaming services.<sup>49</sup>

- Smart TVs are now “pervasive,” with U.S. homes today having an average of two smart TV sets, which are also used for “non-TV” features such as listening to music or checking weather apps.<sup>50</sup> Because smart devices such as TVs, phones, tablets, and laptops are video, audio, and internet devices, they broaden the competition TV broadcasters face beyond the video silo.
- Rather than engaging with traditional video content (e.g., broadcast, cable), high percentages of Gen Zers regularly use social media (94 percent); watch videos in a vertical/portrait format online (81 percent); watch paid-for on-demand video streaming (81 percent); watch YouTube free with ads (78 percent); and play video games (77 percent).<sup>51</sup> Gen Zers spent 5.1 hours a day on social media as of Q3 2025.<sup>52</sup>

These continuing shifts in device usage and viewing patterns have led to declining reach and usage of linear television. Even with broadcast viewership increases from Superbowl LX and the Winter Olympics, data from Nielsen's The Gauge, as illustrated below, show that streaming's share of total TV usage more than doubled broadcasting's share in February 2026.<sup>53</sup> Streaming's share of TV usage grew a remarkable 84.6 percent between the first edition of Nielsen's The Gauge in spring 2021 and last February.<sup>54</sup>

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<sup>48</sup> P. Kurz, *Social Video Now Accounts for 20% of TV Viewing*, tvtechnology.com (Aug. 19, 2025) (citing Parks Associates).

<sup>49</sup> Era of Digital Video at 14. In 2023, only 50% of adults said that half or more of their TV/video consumption took place online or via streaming services. *Id.*

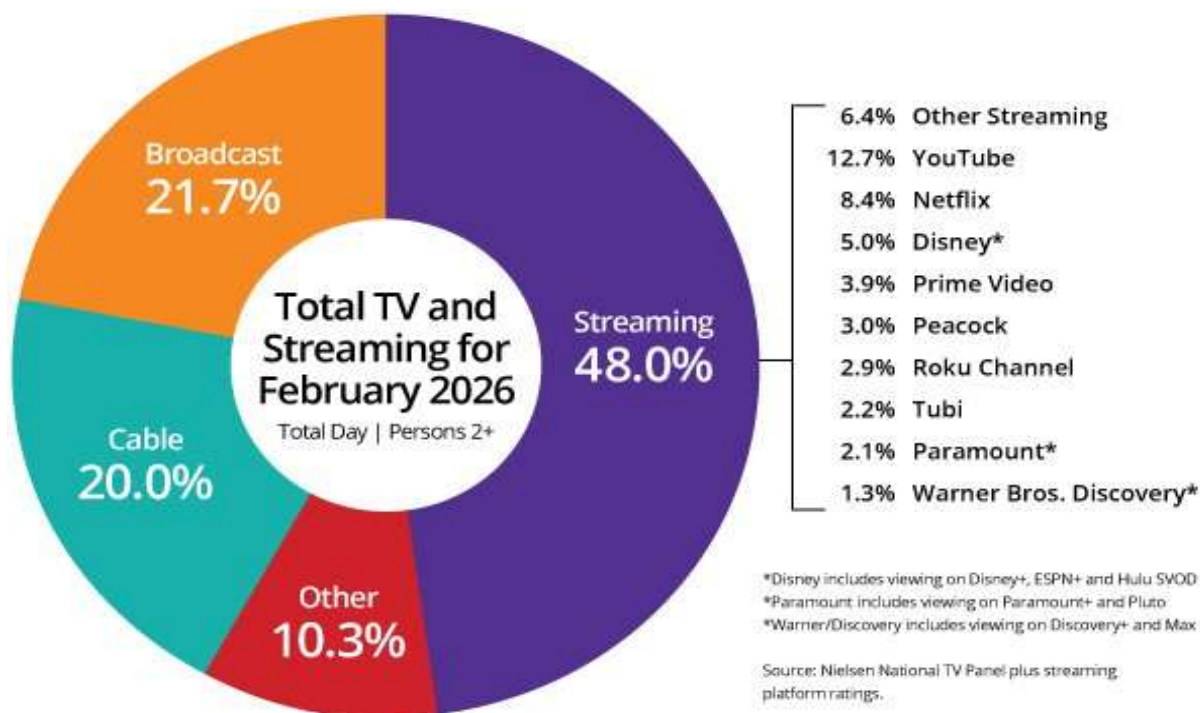
<sup>50</sup> Hub Entertainment Research, *Connected Home 2026* (Mar. 2026); Hub Entertainment Research, *Evolution of the TV Set* (June 2025).

<sup>51</sup> Toluna, *Gen Z Culture Decoded: The New Rules of Engagement*, tolunacorporate.com (Mar. 27, 2025) (survey of 2,000 U.S.-based Gen Z consumers).

<sup>52</sup> G. Winslow, *Survey: Younger Gen Z Consumers Spend 5.1 Hours a Day on Social Media*, tvtechnology.com (Dec. 1, 2025) (reporting on S&P Global Market Intelligence Kagan survey).

<sup>53</sup> Nielsen, *Winter Olympics, Super Bowl Power NBCU-Versant to Gold Medal Performance in Nielsen's February Gauge Reports*, nielsen.com (Apr. 14, 2026).

<sup>54</sup> See Nielsen, *The Gauge Shows Streaming is Taking a Seat at the Table*, nielsen.com (June 17, 2021).



The Nielsen data shown above also reconfirm that YouTube has become the 800-pound gorilla of the video marketplace, again garnering close to 13 percent of total TV usage, with YouTube’s and Netflix’s shares combined essentially equaling all broadcasters’ share of total TV viewing. And because The Gauge does not account for viewing of video content on mobile devices, it very substantially undercounts the viewing garnered by YouTube (owned by Alphabet/Google) and Netflix, as well as TikTok and Instagram (owned by Meta/Facebook), with which broadcasters increasingly compete.<sup>55</sup> YouTube is “almost universal,” with 87 percent of consumers reporting they use or subscribe to YouTube (free), YouTube Premium,

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<sup>55</sup> See, e.g., G. Winslow, *Study: Consumers See ‘Strong Value’ in Streaming But Are ‘Very Concerned’ About Economy*, tvtechnology.com (July 14, 2025) (more viewers use YouTube on a smartphone or tablet than on a TV); J. Koblin, *The Streaming Wars Come Down to 2: YouTube vs. Netflix*, nytimes.com (July 12, 2025) (Netflix estimating that 30% of its audience watches via devices other than TVs). Viewing of YouTubeTV, the linear vMVPD service, also is not included in YouTube’s share of total TV usage reported by The Gauge. (If a consumer watches NBC or FX via YouTubeTV, that usage is counted as broadcast or cable, respectively.)

and/or YouTubeTV.<sup>56</sup> In light of YouTube’s success “in the living room,” TikTok and Instagram both are working on apps designed for television viewing.<sup>57</sup> No TV station group enjoys even a fraction of YouTube’s reach or usage level.

Given this ever-growing competition for viewers, even the top-rated broadcast TV programs have experienced steep declines in their ratings over time. The top-rated scripted program on broadcast TV for the 2023-2024 season (*Tracker*) earned less than one-seventh of the ratings earned by the top broadcast show in the 1985-1986 season, while the top-rated broadcast program overall in 2023-2024 (*Sunday Night Football*) garnered less than one-third of the top program’s mid-1980s ratings.<sup>58</sup> Below, NAB resubmits data showing that the top-rated broadcast TV programs garnered still lower ratings during the 2024-2025 season.<sup>59</sup> Due to competition from non-broadcast video providers, the ratings of the top-rated scripted program on broadcast TV have fallen 72.1 percent since 2004 (when the national television station ownership limit was last slightly raised); by 78.3 percent since passage of the 1996 Telecommunications Act; and by 86.4 percent since the mid-1980s. The reign of *Sunday Night Football* as the top-rated broadcast TV program since the 2015-2016 season confirms the importance to broadcasters of retaining extraordinarily expensive sports rights,

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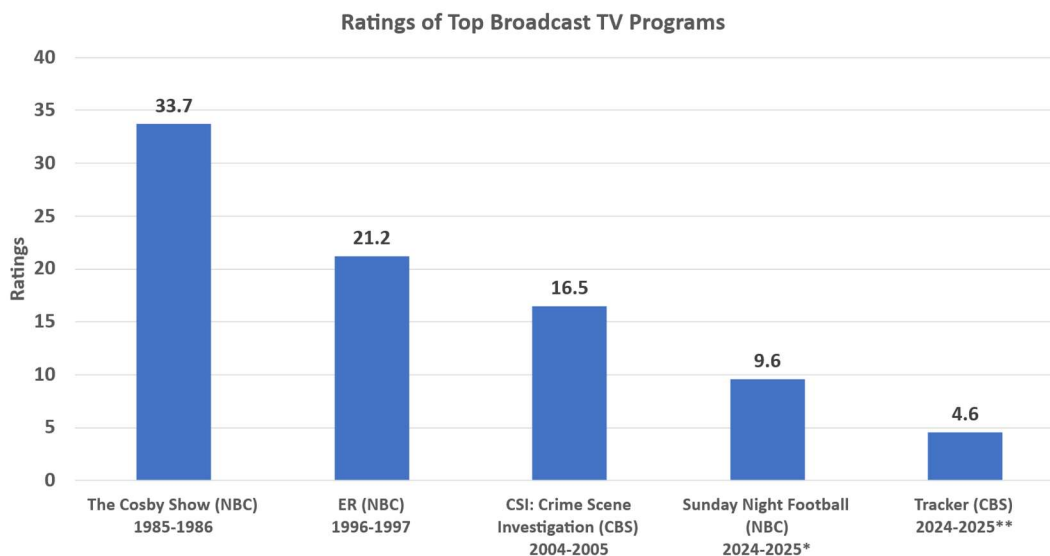
<sup>56</sup> G. Winslow, *Study: Consumers See ‘Strong Value’ in Streaming But Are ‘Very Concerned’ About Economy*, tvtechnology.com (July 14, 2025) (citing Hub Entertainment Research).

<sup>57</sup> P. Clark, *Social platforms and streamers battle for the living room*, emarketer.com (July 28, 2025). See also T. Spangler, *Instagram for TV: Social Network Launches App to Watch Reels Videos on Big Screen*, variety.com (Dec. 16, 2025) (reporting that Meta launched a pilot of its Instagram for TV app, which initially is available only via Amazon Fire TV and allows users to watch Reels organized into personalized channels based on their interests on TV screens).

<sup>58</sup> See Comments of NAB, MB Docket No. 17-318, at 10-11 (Aug. 4, 2025) (citing Nielsen data).

<sup>59</sup> From the 2023-2024 season to the 2024-2025 season, *Sunday Night Football*’s ratings fell from 10.3 to 9.6 and *Tracker*’s ratings declined slightly, from 4.7 to 4.6.

despite competition from vastly deeper-pocketed rivals such as Amazon, Netflix, YouTube, and Apple TV.<sup>60</sup>



*Sources and Notes:*  
1985-1986, 1996-1997, 2004-2005 Seasons: *Complete Directory to Prime Time Network and Cable TV Shows, 1946-Present*. Household ratings based on Live-Only viewing;  
\*2024-2025: *Nielsen*, Live +Same Day viewing, September 1, 2024-May 25, 2025. Regularly scheduled program; excludes pre-and post-shows.  
\*\**Nielsen*, Live + Same Day viewing.

The ever-increasing – and even “overwhelming”<sup>61</sup> – array of options for consumers has completely upended the video marketplace. The evidence on viewership summarized above demonstrates that TV stations’ formerly mass audiences have shrunk due to competing video options, both free and subscription, which consumers have substituted for broadcast TV. Consumers first substituted cable and satellite for broadcast viewing<sup>62</sup> and

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<sup>60</sup> See Comments of NAB, MB Docket No. 26-45 (Mar. 27, 2026) (documenting the shift of sports programming from free over-the-air broadcast TV to multiple subscription platforms to the detriment of viewers, who struggle even to find, let alone pay for, the sporting events they want to watch).

<sup>61</sup> Gracenote, a Nielsen company, *State of Play: Data is the key to solving the paradox of choice for streaming viewers*, at 9 (Nov. 5, 2025) (survey reporting that over 45% of streaming viewers find the saturation of streaming services and content “overwhelming”).

<sup>62</sup> See, e.g., *Annual Assessment of the Status of Competition in the Market for the Delivery of Video Programming*, Fourteenth Report, 27 FCC Rcd 8610, 8619, 8668 (2012) (reporting that cable, satellite, and telco multichannel video distributors offered “hundreds of television

more recently and increasingly turned to streaming. Data revealing the single-digit *reach* of broadcast TV today demonstrates the extent of non-broadcast outlets' domination of the modern video landscape.<sup>63</sup> No one can any longer pretend that broadcast TV stations exist in a hermetically sealed bubble shielded from streaming and multichannel video competitors.

***Competition to Broadcast Stations in the Advertising Marketplace.*** The digital revolution similarly has transformed the advertising market. Local broadcast stations are highly dependent on advertising revenue and, due to the dominance of digital ad platforms in today's marketplace, the financial health of local broadcast stations has significantly declined over the past two decades.

The 2025 advertising report by Borrell Associates estimated that local digital advertising accounted for about 70 percent of all local ad spending in 2024.<sup>64</sup> This report found that the "lion's share of digital advertising" left local markets and went to "pureplay digital companies such as Google, Facebook, and others," with local media outlets including broadcast stations and newspapers capturing only about 15 percent of all locally spent digital advertising.<sup>65</sup> Borrell's 2026 report released earlier this month reconfirmed these findings, estimating that in 2025 and 2026, traditional local media outlets' share of in-

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channels as well as thousands of video programs" via video-on-demand services to nearly 101 million subscribers in 2010).

<sup>63</sup> Among the average 9,279,022 people ages 18-49 using TV (counting broadcast, cable, and Direct Broadcast Satellite, but not streaming or subscription video on demand) during any given minute of prime time in 2025, an estimated 2,904,979 people were viewing broadcast stations – and those 2,904,979 people represent just **2.1 percent** of the estimated total 136,117,395 people ages 18-49 in U.S. TV households. Similarly, the average 16,814,949 people ages two and older who viewed broadcast TV during any given minute of prime time in 2025 represent only **five percent** of the estimated total 321,844,735 people ages two and older in U.S. TV households. See Nielsen, U.S. Live + Same Day 2025.

<sup>64</sup> Borrell Associates, *2025 Annual Report Benchmarking Local Digital Media*, at 5 (May 15, 2025) (2025 Borrell Report).

<sup>65</sup> *Id.* at 8-9.

market digital ad spending would likely hold steady at just over 16 percent – “meaning 84% of ‘local’ digital advertising still goes out of the market, spent mostly with providers such as Google, Meta, and national listings sites” (e.g., Cars.com, Zillow, Monster, Autotrader, etc.).<sup>66</sup>

Direct competition between traditional media and digital platforms for local advertisers is clearly shown in the graphic below: Print and broadcast ad spending fell as digital ad spend rose starting in the 2000s. Taken together, the 2025 and 2026 Borrell reports project local digital advertising to continue growing (albeit more slowly); to extend its share gains at the expense of traditional media; and to account for 76 percent of all local advertising by 2029.<sup>67</sup>

Thus, the reshaping of the advertising market that has radically undercut support for local media and journalism – including TV stations’ costly-to-maintain local news operations – will only continue.<sup>68</sup> Borrell’s 2026 report concluded that, due to the maturing of the digital economy with slower year-over-year growth, traditional media will be facing an ad “marketplace where every dollar gained by one player will increasingly be lost by another.”<sup>69</sup> Perhaps ominously for ad-dependent broadcast stations, the local advertising industry has “shifted from expansion to redistribution.”<sup>70</sup>

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<sup>66</sup> Borrell Associates, 24th Annual Report on Local Digital Advertising, at 9 (May 2026) (2026 Borrell Report).

<sup>67</sup> 2025 Borrell Report at 6-7; 2026 Borrell Report at 5, 7-8.

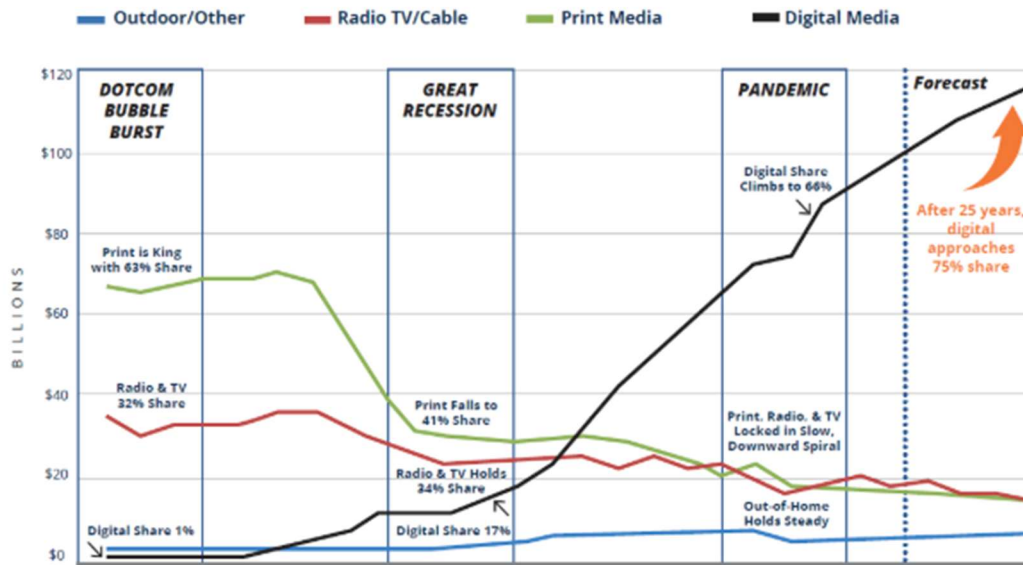
<sup>68</sup> Local news programming is one of the biggest operational costs for TV broadcasters. 2014 *Quadrennial Regulatory Review*, Order on Reconsideration, 32 FCC Rcd 9802, 9836 (2017). Over five years ago, the FCC’s Office of Economics and Analytics (OEA) concluded that most TV markets cannot sustain four independent local news operations. K. Makuch and J. Levy, *Market Size and Local Television News*, OEA Working Paper 52, at 4, 21 (Jan. 15, 2021).

<sup>69</sup> 2026 Borrell Report at 5, 7 (also observing that digital’s maturation “does not rescue legacy media; instead, it signals a tighter, more competitive fight within a still-shifting pool of dollars”).

<sup>70</sup> *Id.* at 35.

**U.S. Local Advertising Revenues 2000-2028 – Borrell Associates  
2025 Annual Report Benchmarking Local Digital Media**

**REVERSAL OF FORTUNES: How 3 Economic Triggers Over 25 Years Changed Advertising Shares**



Other findings in the 2025 Borrell Report demonstrate the competitiveness of local ad markets and the wide variety of advertising and marketing options used by local advertisers, with the report identifying 20 different types of advertising bought by those advertisers. While 34 percent and 16 percent of local advertisers bought broadcast radio and television, respectively, in 2024, 54 percent bought social media and 56 percent bought events/sponsorships, the only two types of marketing purchased by more than half of local advertisers.<sup>71</sup>

Revealingly, Borrell reported on the other types of advertising that broadcast advertisers specifically also purchase. For example, 71, 68, 56, and 54 percent of radio advertisers bought social media, events/sponsorships, banner ads, and newspaper ads,

<sup>71</sup> 2025 Borrell Report at 24, Figure 2.9 (listing types of advertising ranging from banner ads and search engine marketing to streaming video and audio to direct mail, out-of-home/outdoor, and newspapers and magazines).

respectively, in 2024.<sup>72</sup> Notably, among advertisers that planned to increase their spending on some form of marketing in 2025, radio advertisers were twice as likely to increase their spend on social media and banner ads than those advertisers who did not buy radio advertising – and radio advertisers were over *five times* more likely to spend more on streaming audio in 2025 than advertisers not buying AM/FM radio.<sup>73</sup>

Similarly, in 2024, over half of local broadcast TV advertisers also reported buying social media (77 percent), events/sponsorships (77 percent), website ads (68 percent), AM/FM radio (67 percent), search engine marketing (58 percent), newspapers (55 percent), magazines (52 percent), and direct mail (51 percent).<sup>74</sup> Forty-two percent of broadcast TV advertisers reported purchasing streaming video/over-the-top/connected TV advertising in 2024, showing growing competition with online video for ad dollars in local markets.<sup>75</sup>

Notably, among advertisers that planned to increase their spending on some form of marketing in 2025, broadcast TV advertisers were about 50 percent more likely to increase spending on search engine marketing and banner ads in 2025 than those advertisers who did not buy TV station advertising – and broadcast TV advertisers were over *three times* more likely to increase budgets on streaming video/over-the-top/connected TV than advertisers not

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<sup>72</sup> *Id.* at 34, Figure 3.12. Interestingly, about one-third of AM/FM advertisers bought broadcast TV advertising and about one-quarter bought streaming video/over-the-top ads in 2024, showing competition between broadcast radio and video services for ad dollars.

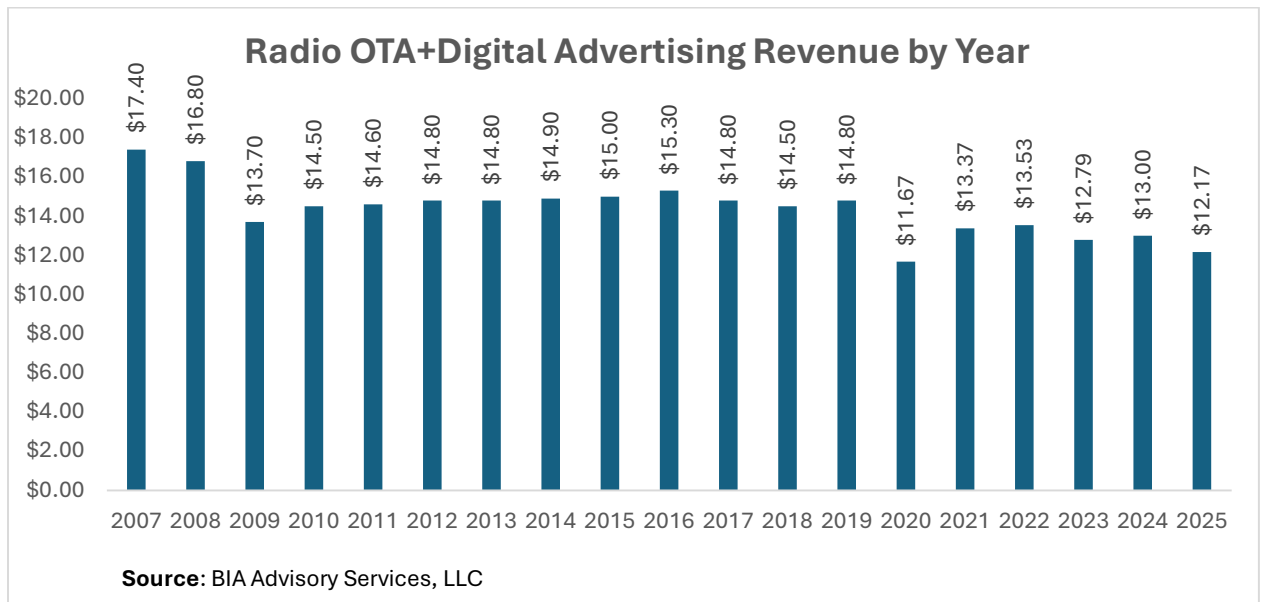
<sup>73</sup> *Id.* at 35, Figure 3.13.

<sup>74</sup> *Id.* at 29, Figure 3.6. Given that *two-thirds* of TV advertisers in local markets bought AM/FM radio advertising and 25% bought streaming audio in 2024, the contention that broadcast TV and radio, or video and audio more generally, exist in separate silos appears incorrect.

<sup>75</sup> *Id.* (additionally reporting that 39% of local broadcast TV advertisers also purchased cable TV ads in 2024).

buying broadcast TV.<sup>76</sup> And Borrell’s 2026 report forecast significant future growth for over-the-top/connected TV advertising, projecting that by 2028 that category of local digital advertising would surpass search and become the second largest digital ad category (behind only online display and banner ads).<sup>77</sup> Broadcast stations clearly face intense competition in their local markets from both digital and traditional platforms for vital ad revenues.

Unsurprisingly in this highly competitive marketplace in which the share of ad dollars garnered by traditional media has plummeted over time, the radio and TV station industries’ advertising revenues continue to fall. According to BIA Advisory Services, as shown in the graphic below, radio stations’ total advertising revenue (over-the-air+digital) fell 30.1 percent from 2007-2025, even on a nominal basis without adjusting for inflation.<sup>78</sup>



<sup>76</sup> *Id.* at 30, Figure 3.7.

<sup>77</sup> 2026 Borrell Report at 5, 9.

<sup>78</sup> Radio stations’ ad revenues counting *OTA only* were higher in the 2004-2006 period (\$17.6 billion annually) than total ad revenues in 2007 (\$17.4 billion) when BIA first began accounting for stations’ digital ad revenues. For consistency, the graphic only includes 2007-2025, the years in which BIA estimated both OTA and digital ad revenues for radio stations.

As BIA's data show and as the Commission previously recognized, "radio revenue never fully recovered from the decline experienced during the recession following the 2008 financial crisis."<sup>79</sup> The 2020 pandemic and related recession also had a serious impact on radio station ad revenues, with those revenues not again reaching even the (lower) level achieved in 2019, let alone ever coming close to the levels reached in the mid-2000s.

Both these shocks to the advertising market gravely affected the viability going forward of ad-revenue dependent AM and FM stations, especially in an increasingly competitive audio marketplace. Between December 31, 2009 and March 31, 2026, the number of AM stations dropped by 480.<sup>80</sup> The number of commercial FM stations declined by 198 from the end of 2019 to March 31, 2026.<sup>81</sup> Reports continue about radio station groups shutting down stations "at an eye-catching rate."<sup>82</sup>

While less dramatic than station closings, declining advertising revenues over two decades necessarily harm all radio stations' ability to hire and retain talented staff, produce and acquire quality programming, including locally-oriented news and sports, and invest in their physical plant and improved technologies. Falling revenues for stations in mid-sized and small markets can push those stations to the brink, due to the much smaller population and available advertising bases in those markets. A 2019 BIA study showed that many stations, even prior to the COVID-19 pandemic, struggled to earn sufficient revenues to cover their

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<sup>79</sup> *2022 Communications Marketplace Report*, 37 FCC Rcd 15514, 15692 (2022); *accord 2020 Communications Marketplace Report*, 36 FCC Rcd 2945, 3090 (2020).

<sup>80</sup> See FCC News Release, *Broadcast Station Totals as of December 31, 2009* (Feb. 26, 2010) (reporting 4,790 AM stations); FCC Public Notice, *Broadcast Station Totals as of March 31, 2026* (Apr. 10, 2026) (reporting 4,310 AM stations).

<sup>81</sup> See FCC News Release, *Broadcast Station Totals as of December 31, 2019* (Jan. 3, 2020) (reporting 6,772 FM stations); FCC Public Notice, *Broadcast Station Totals as of March 31, 2026* (Apr. 10, 2026) (reporting 6,574 commercial FM stations).

<sup>82</sup> R. Stine, *Groups Ponder RIS – "Reductions in Stations,"* radioworld.com (May 27, 2025).

substantial fixed operating costs – i.e., the basic costs of running a station that must be met – let alone invest in better programming, hire additional staff, or update equipment.<sup>83</sup> And radio station ad revenues have fallen 17.8 percent since then (even without accounting for the significant effects of inflation).

NAB also previously documented that radio stations in mid-sized and small markets earn mere fractions of the revenues garnered by stations in the top 10 markets.<sup>84</sup> The same pattern held in 2024, with the average full-power commercial radio station in the smallest Nielsen Audio markets (201-242) earning only 8.2 percent of the ad revenues (OTA+digital) garnered by the average station in the ten largest markets.<sup>85</sup> Similarly, the average radio station in markets 151-200, 101-150, 76-100, and 51-75 earned just 10.7, 11.9, 14.1, and 21.8 percent, respectively, of the revenues garnered by the average station in the top-10 markets. Even the average radio station in markets 26-50 garnered only 35.2 percent of the average station’s revenues in the largest markets.<sup>86</sup>

Increased competition also has caused the local TV station industry’s advertising revenues to fall over time. As shown in the graphic below provided by BIA Advisory Services, TV stations’ total ad revenue (over-the-air+digital) fell 56.3 percent from 2000-2025 on a real (i.e., inflation-adjusted) basis. Even from 2000-2024 (a general election year with high levels of political advertising), the inflation-adjusted ad revenue decline was 42.7 percent. Adjusting

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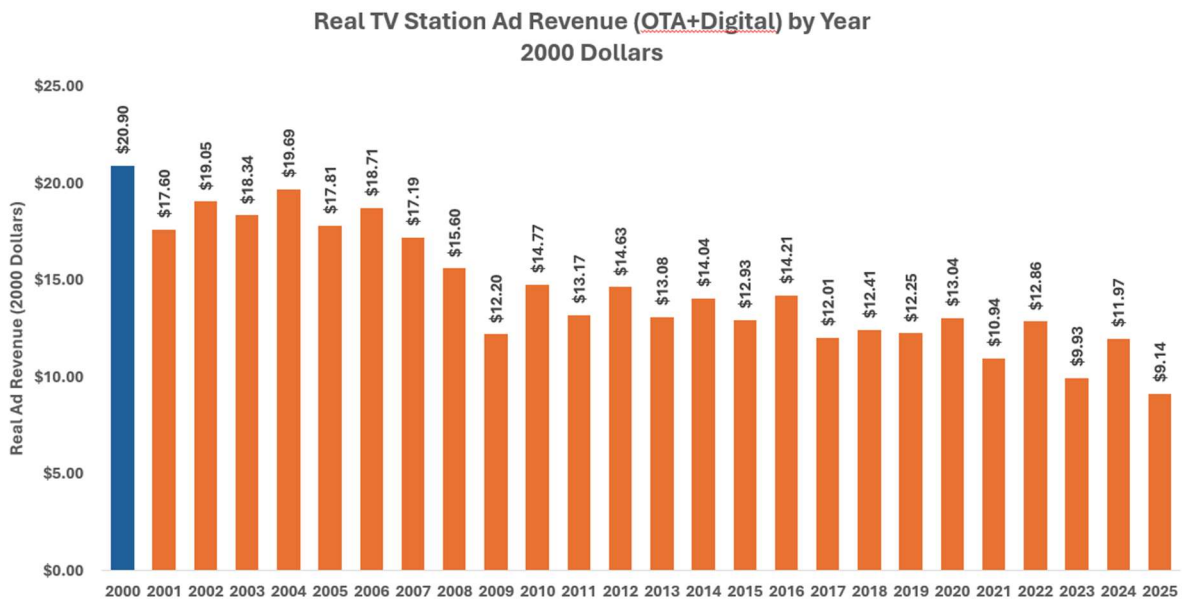
<sup>83</sup> BIA found that smaller market stations and AM stations in all-sized markets experienced special difficulties in meeting their fixed costs (engineering, programming, advertising and promotion, sales, and general/administrative). See BIA Advisory Services, *Local Radio Station Viability in the New Media Marketplace*, at 31-34 (Apr. 29, 2019), Attachment A to Comments of NAB, MB Docket No. 18-349 (Apr. 29, 2019) (BIA 2019 Radio Study).

<sup>84</sup> See, e.g., Comments of NAB, GN Docket No. 24-119, at 19-20 (June 6, 2024) (NAB 2024 Competition Comments) (citing 2023 data from BIA Media Access Pro).

<sup>85</sup> Source: BIA Media Access Pro (Nov. 20, 2025).

<sup>86</sup> *Id.*

for inflation provides a constant metric, and the real amount, of the decline in TV stations' advertising revenues over the past 25 years – and that decline is indisputably substantial. As the Federal Reserve has observed, “\$1 doesn’t buy what it used to,” and “[c]onverting nominal values to real values provides a consistent measure across time.”<sup>87</sup>



Source: BIA Advisory Services, LLC

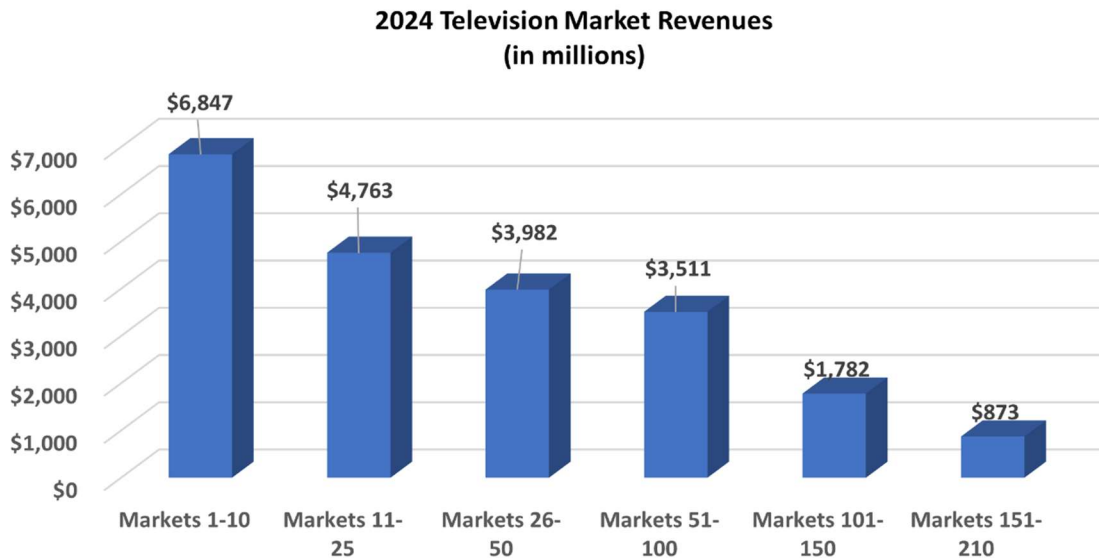
These declines in revenue necessarily harm the ability of local TV stations to acquire/produce programming, maintain local news operations, obtain rights for live sports programming, hire and retain talented staff, and invest in improved technologies including Next Gen TV. Broadcasters in mid-sized and small markets particularly struggle, given that smaller market TV stations earn only a small fraction of the ad revenues garnered by stations

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<sup>87</sup> Federal Reserve Bank of Dallas, *DataBasics, Deflating nominal values to real values* (accessed Dec. 10, 2025), <https://www.dallasfed.org/research/basics/nominal> (describing why real, i.e. inflation-adjusted, Gross Domestic Product (GDP) or retail sales figures are a better overall indication of the change in output or sales over time than nominal GDP or retail sales figures).

in the largest markets. The graphic below illustrates the limited ad dollars available to and earned by TV stations in most local markets, even in a presidential election year.<sup>88</sup>

### The Relationship Between Market Size and Advertising Revenue Per TV Station



	Markets 1-10	Markets 11-25	Markets 26-50	Markets 51-100	Markets 101-150	Markets 151-210
<b>Number of Commercial Stations</b>	152	160	209	331	225	160
<b>Avg. Revenue per Station (000)</b>	\$45,046	\$29,770	\$19,050	\$10,606	\$7,919	\$5,453

*Source: Analysis of BIA Media Access Pro data as of July 23, 2025. Analysis based on full power TV stations. Includes over-the-air and digital ad revenue estimates.*

Given all this evidence showing the transformation of the advertising market, the consequent serious decline in broadcast stations' ad revenues, and the questionable

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<sup>88</sup> In 2024, the average TV station in television markets 151-210, 101-150, and 51-100 garnered 12.1%, 17.6%, and 23.5% of the ad revenues earned by the average station in the top-10 markets. Even stations in TV markets 26-50 earned only 42.2% of the revenues garnered by the average station in the ten largest markets. NAB Staff Analysis of BIA Media Access Pro data.

economic viability of many stations, there can be no doubt that local stations compete for both audiences and advertisers against innumerable multichannel and streaming content providers and digital ad platforms. These market conditions completely undermine any justification for the current asymmetric broadcast regulatory regime, especially the *ex ante* restrictions on the scale of local radio and TV broadcasters alone among all competitors in the modern audio and video markets and the digital-dominated advertising marketplace.

**III. THE FCC RECENTLY HAS BEGUN TO RECOGNIZE THE FLOOD OF COMPETITION FACING LOCAL BROADCAST STATIONS FROM NON-BROADCAST SOURCES AND THUS THE ARBITRARINESS OF ASYMMETRIC BROADCAST OWNERSHIP RESTRICTIONS**

As NAB reiterated above and demonstrated in multiple previous filings, competition in the media and advertising markets is fierce and has profoundly and negatively affected the competitiveness and even the viability of many local broadcast stations, as well as their ability to serve their local communities effectively. It thus strains credulity to think that radio stations and TV stations only materially compete amongst themselves for audiences and ad revenues. And yet, for years, previous Commissions held steadfast to this sepia-toned view of the marketplace to attempt to justify retention of analog-era ownership restrictions.<sup>89</sup>

But the recent order approving the merger of Nexstar and TEGNA finally took a more realistic look at competition, refreshingly jettisoning the FCC's long-standing, antiquated assessment in favor of a modern, evidence-based view of the media marketplace.<sup>90</sup> It

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<sup>89</sup> See, e.g., *2018 Quadrennial Regulatory Review*, Report and Order, 38 FCC Rcd 12782, 12799, 12822 (2023); *2014 and 2010 Quadrennial Regulatory Review*, Second Report and Order, 31 FCC Rcd 9864, 9872, 9899 (2016).

<sup>90</sup> See *Applications for Consent to the Transfer of Control of TEGNA Inc. to Nexstar Media Inc.*, MB Docket No. 25-331, DA 26-267 (Med. Bur. Mar. 19, 2026) (Order). Because NAB traditionally does not opine on individual broadcast station group transactions, NAB did not take a position on the merits of the Nexstar/TEGNA transaction and did not comment in the FCC's proceedings.

rejected arguments that broadcasters compete exclusively with themselves. Labeling this a “backwards-looking approach,” the Order found that “broadcast TV competes in a broader market against streaming services, cable operators, and many other digital and traditional distributors of news, content, and information.”<sup>91</sup> Noting that “broadcasters are competing in a much larger, broader, and competitive environment,” the Order recognized that broadcast stations face a range of competitors that distribute content over a range of different technologies, such as the Internet, satellite, 5G networks, fiber, and cable (as well as other technologies).<sup>92</sup> And it concluded that broadcasters are “competing against digital advertisers” and “competing for viewers and listeners against various technology platforms – from streamers to podcasts.”<sup>93</sup>

With regard to advertising more specifically, the Order identified substantial competition to broadcasters from digital platforms, such as Facebook, streaming platforms, and cable providers, and observed that advertising dollars have shifted in large numbers from local TV broadcasters to digital platforms, which “supports the argument [that] both advertisers and consumers view digital advertising as a *substitute* for traditional local TV ads.”<sup>94</sup> Competition for advertising directly affects local broadcasters’ financial viability, moreover, because the broadcast TV station industry relies on advertising for the majority of its revenues.<sup>95</sup> The 2026 competition report to Congress should embrace this realistic view of today’s media and ad markets.

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<sup>91</sup> Order at ¶ 66.

<sup>92</sup> Order at ¶ 76.

<sup>93</sup> *Id.*

<sup>94</sup> Order at ¶ 70 (emphasis added).

<sup>95</sup> In 2024, the broadcast TV station industry derived an estimated 61.8% of its gross revenues from advertising (spot and digital). Even in the non-election year of 2025, the

Given the Order’s rejection of the retrograde view of the media marketplace pushed by the mergers’ opponents, it follows that the Commission should apply this same analysis to its onerous national and local ownership rules. Asymmetric ownership restrictions do nothing more than hinder broadcasters as they vie to gain the national and local scale required to compete in today’s media and advertising markets. As the Order recognized with respect to the transaction, eliminating the national and local ownership limits will enable broadcasters to better support local communities by allowing station groups to share resources across stations and generate a broader revenue base to support local journalism and other local programming.<sup>96</sup>

The Order, moreover, made abundantly clear that there isn’t any reason to retain the two-station local TV ownership limit. As NAB has pointed out, this *per se* rule is arbitrary and capricious for many reasons: it foregoes any review of on-the-ground marketplace conditions in any local markets; it presumptively and erroneously assumes – contrary to a wealth of evidence now recognized in this Order – that TV broadcasters only compete amongst themselves; and it mistakenly presumes that the combination of more than two TV stations in any market will lead to harm even if the combined advertising revenue and/or viewership of those stations is small.<sup>97</sup> Notably, the Order waived the local TV rule’s two-station limit in 21 of the 23 Designated Market Areas (DMAs) where the merging parties requested a

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industry earned an estimated 58.4% of its gross revenues from advertising. Source: S&P Global, *US TV Station Industry Total Revenue Projections, 2009-2030* (July 2025).

<sup>96</sup> See Order at ¶ 81 (recognizing that the transaction enhances investment in journalism, weather, and public interest programming by expanding scale and improving operational efficiency); see *id.* at ¶¶ 67-69 (rejecting opponents’ claims that the merger would produce harms in what they defined as a market for local news and instead concluding that “consumers will realize benefits in the local news market”).

<sup>97</sup> Comments of NAB, MB Docket No. 22-459, at 120-128 (Dec. 17, 2025).

waiver.<sup>98</sup> Given the Order’s finding that common ownership of three full power TV stations served the public interest in 91.3 percent of the DMAs where the merger implicated the two-station limit,<sup>99</sup> surely the maintenance of a rule restricting common ownership of more than two full power stations in all 210 DMAs across-the-board is irrational under the Administrative Procedure Act and contrary to the quadrennial review mandate in Section 202(h) of the 1996 Telecommunications Act. The bottom line: The Order further demonstrates why the Commission should eliminate the local TV rule’s two-station limit, as NAB has urged in the pending 2022 quadrennial review.

#### **IV. THE FCC SHOULD CONTINUE TO REFORM ITS ASYMMETRIC BROADCAST REGULATORY REGIME TO REFLECT THE EFFECTS OF VASTLY INCREASED COMPETITION ON LOCAL STATIONS**

In March 2025, the Commission initiated its Delete, Delete, Delete proceeding. NAB observed that this proceeding was “tailor-made for broadcasters,” given the pile-up of decades of antiquated and ineffective regulations imposed only on free, OTA radio and TV stations.<sup>100</sup> NAB’s comments addressed numerous rules that were ripe for removal (or at least reform). Above all, NAB urged the Commission, as its top priority, to eliminate the national TV ownership rule, the local radio ownership caps, and the local TV ownership limit.<sup>101</sup>

NAB also identified other rules that imposed undue burdens and unnecessary costs – especially in the aggregate – without providing commensurate, achievable public benefits, and urged the FCC, among other things, to: (1) remove requirements holding back the full

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<sup>98</sup> Order at ¶ 52.

<sup>99</sup> *Id.* at ¶¶ 52-54.

<sup>100</sup> Comments of NAB, GN Docket No. 25-133, at 1 (Apr. 11, 2025) (NAB Delete Comments).

<sup>101</sup> NAB Delete Comments at 7-14.

transition to Next Gen TV and take all necessary actions to facilitate a quick transition; (2) eliminate (or at the very least minimize) the burden of the online public file and those requirements for broadcasters to upload numerous documents and material to their online files; (3) repeal the 2024 expansion of the foreign sponsorship identification rules; (4) eliminate the biennial ownership reporting requirements; (5) repeal requirements for broadcasters to provide local public notice of various types of applications; (6) cut back the EEO rules to a general prohibition against discrimination; (7) eliminate the EEO audit process and other unnecessary EEO compliance burdens; (8) repeal the children’s television programming rules; (9) eliminate the telephone broadcast rule; (10) *re-delete* the FM radio duplication rule; (11) eliminate the AM minimum efficiency standards and certain rules limiting access to the AM “expanded band”; (12) update EAS rules to permit software-based operations and reduce the overbreadth of the rule governing “false” EAS alerts; (13) repeal the contest rule; (14) eliminate the news distortion policy; and (15) eliminate the white space devices rules.<sup>102</sup>

Moving forward, NAB again urges the Commission to examine the role of these regulations in impeding, or at least delaying, innovation in broadcasting to the detriment of the broadcast industry, competition in the video and audio markets, and consumers. As NAB has previously explained, broadcasters face regulatory obstacles to innovation that do not confront their competitors.<sup>103</sup> For example, when TV broadcasters sought over a decade ago to upgrade their transmission standard to ATSC 3.0, which integrates seamlessly with internet protocol, enhances spectrum efficiency, and allows broadcasters to improve

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<sup>102</sup> NAB Delete Comments at 15-79; Reply Comments of NAB, GN Docket No. 25-133, at 41-42 (Apr. 28, 2025) (also supporting or opposing various technical proposals submitted in the record) *Id.* at 28-40.

<sup>103</sup> See, e.g., NAB 2024 Competition Comments at 37-43.

services, they had to seek and obtain FCC permission to invest millions of their own dollars in their own facilities to improve a service offered free to the public.<sup>104</sup>

Other participants in the communications marketplace do not face similar regulatory speedbumps on the road to innovation, including the massive tech platforms and even other FCC licensees. Wireless carriers, for example, move from one generation of technology to the next on their own terms and on their own schedule, and the Commission even actively seeks to make additional spectrum available for those carriers to facilitate their deployment of new technologies.<sup>105</sup> In contrast, broadcasters can face years-long regulatory processes when seeking permission to offer new services using the spectrum already licensed to them.<sup>106</sup> NAB also observes that technological innovations in broadcasting – including those allowing local stations to expand and improve their services to the public – inevitably result in calls to increase stations’ regulatory burdens. During the digital TV transition, for example, the Commission inquired about a remarkably wide range of potential new public interest requirements for TV broadcasters simply due to the congressionally-mandated switch to digital technology – which ultimately cost broadcasters millions of dollars per station and

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<sup>104</sup> *Authorizing Permissive Use of the “Next Generation” Broadcast Television Standard*, Report and Order and Further Notice of Proposed Rulemaking, 32 FCC Rcd 9930 (2017). Broadcasters had initiated this proceeding in April 2016 by filing a joint rulemaking petition asking the FCC to allow voluntary use of the ATSC 3.0 standard.

<sup>105</sup> See, e.g., *Expanding Flexible Use in the 3.7-4.2 GHz Band*, Report and Order, 35 FCC Rcd 2343 (2020) (making 280 MHz of spectrum available for 5G services).

<sup>106</sup> In an earlier competition report proceeding, NAB described the decades-long saga of persuading the FCC to open a proceeding to advance the development of terrestrial Digital Audio Broadcasting (DAB), to select in-band, on-channel (IBOC) as the technology to permit AM/FM radio broadcasters to introduce digital operations, and to adopt final operational requirements and related broadcast licensing and service rule changes. See Comments of NAB, GN Docket No. 22-203, at 60 & n.223 (July 1, 2022).

resulted in the return of previously allocated TV spectrum to the FCC.<sup>107</sup> Again, the Commission does not consider whether or how to impose further regulatory requirements on other industries as they embrace technological advances. The FCC, for instance, has not revisited its mobile spectrum holdings policies merely because wireless carriers have shifted from 3G to 4G and now to 5G.

NAB continues to believe that TV and radio broadcasters' efforts to enhance their ability to serve consumers through technological innovation (especially when doing so within the same spectrum footprint) offer no justification for retaining outdated, asymmetric restrictions, let alone for increasing regulatory burdens on the broadcast industry. The FCC should decline invitations to view improvements in technology as an excuse for regulation; indeed, embracing this view would create a perverse disincentive for broadcaster adoption of new technologies and would not serve the public interest. Instead, considering the need for broadcasters to make significant capital investments to adopt new technologies, the Commission should prioritize promoting broadcast innovations with the potential to improve the public's TV and radio services.

In this regard, NAB encourages the Commission to expedite completion of the ATSC 3.0 transition so that TV broadcasters merely can catch up to other marketplace competitors. Broadcasters are more than eager to complete the transition and begin delivering the full

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<sup>107</sup> See *Public Interest Obligations of TV Broadcast Licensees*, Notice of Inquiry, 14 FCC Rcd 21633 (1999) (seeking comment on requirements relating to multicasting, the TV ratings system, ancillary and supplementary services, information disclosures, EAS, mandatory minimum public interest obligations, improving access to broadcast programming for people with disabilities, diversity, and enhancing political discourse). While Commissioners and others wondered "why the mere use of a digital medium rather than an analog one justifies new public interest obligations," *id.* at 21658 (Comm. Powell concurring), the FCC made similar proposals when seeking comment on programming and operational rules for radio stations that might voluntarily choose to utilize DAB. Further Notice of Proposed Rulemaking and Notice of Inquiry, 19 FCC Rcd 7505, 7517-19 (2004).

benefits of Next Gen TV to viewers nationwide – including vast improvements in video and audio quality, interactive features, enhanced emergency information, and much more efficient use of spectrum.

Next Gen TV, moreover, offers national security benefits that the current Commission should embrace.<sup>108</sup> ATSC 3.0 is very important to broader infrastructure security and resilience through the development of the Broadcast Positioning System (BPS), and related positioning, navigation, and timing (PNT) capabilities, which is a reliable complement to the Global Positioning System (GPS).<sup>109</sup> As NAB has previously explained, ATSC 3.0 signals enhanced with BPS can provide an important complementary source of timing information that can enhance redundancy for critical systems that depend on precise timing, such as telecommunications networks, transportation, financial infrastructure, and emergency response coordination.<sup>110</sup> BPS is not merely conceptual. NAB and its partners are actively evaluating ATSC 3.0-based PNT capabilities through real-world testing and federal engagement, including field trials supported by the U.S. Department of Transportation and conducted with critical infrastructure partners, such as Dominion Energy.<sup>111</sup> NAB appreciates

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<sup>108</sup> See, e.g., <https://www.fcc.gov/promoting-national-security> (stating that the U.S. faces a persistent threat from foreign adversaries, which are exploring ways to breach our networks, and noting creation of the FCC Council on National Security to counter these threats).

<sup>109</sup> GPS is a U.S.-owned utility that provides users with PNT services. But GPS is susceptible to jamming and spoofing, which endanger critical infrastructure, emergency response, and military operations.

<sup>110</sup> Comments of NAB, GN Docket No. 16-142, at 5 (Jan. 20, 2026); Comments of NAB, WT Docket No. 25-110 (April 28, 2025).

<sup>111</sup> Press Release, NAB, *Department of Transportation Awards Contract to NAB to Further Evaluate the Broadcast Positioning System™ (BPS)* (Oct. 6, 2025), <https://www.nab.org/documents/newsRoom/pressRelease.asp?id=7332>.

the FCC's adoption last October of the *fifth* further rulemaking notice on Next Gen TV,<sup>112</sup> and NAB urges the Commission to complete this proceeding expeditiously and place the vital Next Gen TV transition on the soundest possible footing.

The Commission, to NAB's knowledge, has never rigorously considered the cumulative financial and competitive toll all its rules take on local stations in today's audio and video markets. No regulation is costless, and multiple regulations impose significant burdens on the scarce resources of local stations, especially those earning lower levels of ad revenues, those located in smaller markets, and those with small staffs. Given the cumulative effect of all the broadcast regulations, the upcoming report to Congress should evaluate how they erode the competitiveness of free OTA broadcasting in today's marketplace.

**V. THE FCC'S REGULATORY REGIME SHOULD PROMOTE INVESTMENT IN THE BROADCAST INDUSTRY AND FACILITATE BROADCASTERS' REALIZATION OF NECESSARY SCALE ECONOMIES**

Chairman Carr has recognized the urgent need to promote investment in local broadcasting by removing "legacy regulations on the books" that "prevent[] capital from flowing to broadcasters" and that also "artificially rais[e] their costs of doing business."<sup>113</sup> The Chairman is correct in highlighting broadcasters' need for capital and the severe impediment that "legacy" regulations place on broadcasters' ability to obtain adequate

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<sup>112</sup> *Authorizing Permissive Use of the "Next Generation" Broadcast Television Standard*, Fifth Further Notice of Proposed Rulemaking, GN Docket No. 16-142, FCC No. 25-72 (Oct. 29, 2025).

<sup>113</sup> Dissenting Statement of Comm'r Brendan Carr, *Political Programming and Online Public File Requirements for Low Power Television Stations*, Notice of Proposed Rulemaking, 39 FCC Rcd 6318, 6396 (2024).

investment. In fact, the FCC recognized over a decade ago that the broadcast industry, especially smaller businesses and new entrants, suffers from a lack of investment capital.<sup>114</sup>

As NAB previously explained, asymmetric regulations, especially ownership restrictions, make broadcasters less attractive to investors than their communications industry competitors.<sup>115</sup> The idea that the asymmetric regulation of one industry vis-à-vis other competing industries impedes investment in the more regulated industry is hardly new. Economic literature showcases the litany of harm that undue regulation can inflict on an industry.

Specifically, empirical work has shown that asymmetric regulation can undermine innovation<sup>116</sup> and suppress investment.<sup>117</sup> The FCC has noted the connection between “[g]reater capitalization” and “greater innovation” in the broadcast industry specifically.<sup>118</sup> Retaining asymmetric regulations in the face of new competition creates regulatory distortions, drives up the regulated industry’s costs, causes already scarce capital to flow to less regulated industries, deters new firm entry, and disadvantages the heavily regulated firms in relation to competitors that face fewer regulations.<sup>119</sup> Regulation that generates

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<sup>114</sup> *Commission Policies and Procedures Under Sec. 310(b)(4) of the Commc’n Act, Foreign Investment in Broad. Licensees*, Declaratory Ruling, 28 FCC Rcd 16244, 16249 (2013) (Broadcast Foreign Investment Ruling).

<sup>115</sup> See, e.g., NAB 2024 Competition Comments at 30-37.

<sup>116</sup> E.g., P. Aghion, A. Bergeaud & J.V. Reenen, *The Impact of Regulation on Innovation*, 113 (11) Am. Econ. Rev. 2894 (2023) (finding that significant increases in labor regulations resulted in sharp drops in innovation and discouraged incremental innovation after demand shocks).

<sup>117</sup> E.g., T.W. Hazlett & A. Caskan, *Natural Experiments in U.S. Broadband Regulation*, 7(4) Rev. of Network Econ. 460 (Dec. 2008).

<sup>118</sup> Broadcast Foreign Investment Ruling, 28 FCC Rcd at 16249.

<sup>119</sup> See Comments of NAB, MB Docket No. 18-349, at 15-19 (Sept. 2, 2021); see also S. Pociask and J.P. Fuhr, Jr., *Concentration by Regulation: How the FCC’s Imposition of*

uncertainty in an industry also can impede investment and entry,<sup>120</sup> and laws or regulations that suppress mergers and acquisitions will create uncertainty around an investor's ability to freely exit after spending to grow and develop a business.<sup>121</sup> The antiquated broadcast-only ownership restrictions fit this bill, especially given the additional uncertainty caused by consistently belated FCC action in its "quadrennial" ownership reviews.<sup>122</sup> Conversely,

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*Asymmetric Regulations Are Hindering Wireline Broadband Competition in America*, The American Consumer Institute Center for Citizen Research, at 2 (Jan. 2016) (demonstrating that asymmetric regulations on incumbent telecommunications service providers providing broadband services "affects broadband competition, reduces broadband investment, increases wireline concentration and reduces consumer choice"); G.S. Ford, *Net Neutrality, Reclassification and Investment: A Counterfactual Analysis*, Phoenix Center Perspectives (Apr. 25, 2017) (showing that the threat of Title II reclassification reduced investment in broadband by at least 20 percent between 2011 and 2015); E. Ehrlich, *A Brief History of Internet Regulation*, Progressive Policy Institute, at 16-17 (Mar. 2014) (examining the impact of uneconomic broadband regulations imposed on incumbent services compared to less regulated systems and observing that "investment goes where regulation guides it by making it either welcome or unwelcome," with such regulations having the ability to "throttle the flow of capital into the sector and are therefore implemented at a potentially great cost" to overall investment in the broadband sector); R. Frieden, *Regulatory Opportunism in Telecommunications: The Unlevel Competitive Playing Fields*, 10 *CommLaw Conspectus* 81 (2001) (describing how "[a]symmetries in regulatory burdens create incentives to find ways to exploit artificial competitive advantages and avoid regulatory classifications that create a bias toward more pervasive and costly regulatory burdens" and have "the potential to tilt the competitive playing field in favor of one class of telecommunications carriers or service providers"); J. Bailey and D. Thomas, *Regulating Away Competition: The Effect of Regulation on Entrepreneurship and Employment*, 52 *J. of Reg. Econ.* 237 (2017) (finding that more regulated industries experience fewer new firm births and slower employment growth and that small firms are more likely to leave a heavily regulated industry).

<sup>120</sup> A.K. Dixit & R.S. Pindyck, *Investment Under Uncertainty* 345 (1994) (noting that regulatory uncertainties can make costs unpredictable, which can deter entry).

<sup>121</sup> G.M. Phillips & A. Zhdanov, *Venture Capital Investments, Merger Activity, and Competition Laws around the World*, 13(2) *Rev. of Corp. Fin. Stud.* 303 (2024) (finding the creation of pro-takeover laws spurring greater venture capital activity as compared to jurisdictions that have stricter antitakeover laws); see also X. Gao, J.R. Ritter & Z. Zhu, *Where Have All the IPOs Gone?*, 48(6) *J. of Fin. & Quantitative Analysis* 1663 (Dec. 2013) (finding that many firms sell to larger corporations to gain the benefits of faster "speed to market" and greater economies of scope).

<sup>122</sup> The lack of investor interest in radio particularly is demonstrated by the very limited merger and acquisition activity among radio station groups for many years. Data from

reforms that reduce regulatory-related entry barriers have been shown to stimulate capital accumulation<sup>123</sup> and customer acquisition.<sup>124</sup>

Potential investors know that, due to the FCC's ownership rules, broadcasters cannot take advantage of economies of scale as can their non-broadcast audio and video competitors. A detailed BIA study submitted in an earlier FCC proceeding demonstrated that increased scale would bring substantial financial benefits for local radio broadcasters, including improved cash flows, by allowing them to spread their significant operating costs (e.g., engineering, programming, advertising/promotion, sales, general/administrative) over more stations with greater combined revenues.<sup>125</sup> BIA's conclusions were hardly surprising. After all, economies of scale are, by definition, "associated with falling unit costs of production – that is, with the production of more output," such as programming, "at lower average cost – and hence are *prima facie* welfare enhancing."<sup>126</sup>

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industry analysts S&P Global Market Intelligence Kagan and BIA Advisory Services show that 2006 was the last year with a high volume of radio transactions, with another drop off in deal volume occurring after 2017.

<sup>123</sup> A. Alesina, S. Ardagna, G. Nicoletti & F. Schiantarelli, 3(4) *Regulation and Investment*, J. of the European Econ. Ass'n 791 (June 2005) (finding that deregulation can spur entry and investment).

<sup>124</sup> T.W. Hazlett & A. Caskan, *Natural Experiments in U.S. Broadband Regulation*, 7(4) *Rev. of Network Econ.* 460 (Dec. 2008) (finding that DSL deregulation led to a significant increase in the number of subscribers).

<sup>125</sup> See BIA 2019 Radio Study at 26-31 (modeling the cash flow benefits of transactions prohibited by the local radio caps in different-sized markets). The cash flow benefits of permitting additional local station combinations were greatest in small markets, where radio stations most struggle to cover their fixed costs. *Id.* at 30-31. BIA also found that stations in larger groups appeared better able to turn potential audiences into revenue than were stations in smaller groups and concluded that reforming the ownership rules to permit the formation of larger combinations would likely increase station revenues, compared to the revenues earned by those same stations prior to their combination. *Id.* at 31, 37-39.

<sup>126</sup> J.A. Eisenach and K.W. Caves, *The Effects of Regulation on Economies of Scale and Scope in TV Broadcasting*, at 1 (June 2011), attached to Reply Comments of NAB, MB Docket No. 10-71 (June 27, 2011) (Economies of Scale Study).

The Commission itself has long recognized the benefits of scale economies in broadcasting, to both station owners and the public. When it last relaxed the radio ownership limits in 1992, the FCC found that broadcasters would realize “valuable efficiencies” by the opportunity to combine administrative, sales, promotion, production, and other functions, as well as to share studio space and equipment, and further found that these efficiencies may play a “significant part” in improving the programming available to the public.<sup>127</sup> In declining to tighten the radio caps in its 2006 quadrennial review following a remand of the 2002 review from the Third Circuit Court of Appeals, the FCC observed that radio broadcasters had “needed regulatory relief to achieve the economies of scale necessary to compete” in 1996 – as they do in today’s more competitive marketplace – and refused to “undermine efficiency gains” that broadcasters “otherwise might realize from their current economies of scale, efficiency gains that could bolster the stations’ financial standing and increase their ability to provide their local communities with quality programming.”<sup>128</sup> As one small radio station owner succinctly summed up the benefits of scale economies to both broadcasters and their audiences: “If we had access to more stations, we would be able to generate more revenue without increasing overhead,” enabling “us to better serve our communities.”<sup>129</sup>

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<sup>127</sup> *Revision of Radio Rules and Policies*, Report and Order, 7 FCC Rcd 2755, 2760-61 (1992). In more recently discussing the efficiencies stemming from greater scale, 25 radio broadcasters agreed that common ownership enables elimination of multiple studios and office space, the combination of transmission facilities at common sites, and consolidation of back office services, such as financial reporting, billing, and accounts payable. Joint Reply Comments of American General Media, et al., MB Docket No. 18-349, at 16 (May 29, 2019).

<sup>128</sup> *2006 Quadrennial Regulatory Review*, Report and Order and Order on Reconsideration, 23 FCC Rcd 2010, 2074 (2008).

<sup>129</sup> Decl. of M. Kent Frandsen, Frandsen Media Co. at 2, Exh. C to Joint Comments of Connoisseur Media, LLC, et al., MB Docket No. 18-349 (Apr. 29, 2019) (capitalization in heading omitted).

The FCC has similarly acknowledged the benefits of scale economies in TV broadcasting. According to the Commission, the “efficiencies of common ownership” may enable TV stations to “provide more high-quality local programming, especially in revenue-scarce small and mid-sized markets.”<sup>130</sup>

Multiple economists also have concluded that TV broadcasting generally, and local news production specifically, are “subject to strong economies of both scale and scope.”<sup>131</sup> As a result, placing undue limits on broadcasters’ ability to achieve scale economies through ownership restrictions “result[s] in higher costs, lower revenues, reduced returns on invested capital [and] lower output,” including “significantly reduc[ed]” local news output.<sup>132</sup> Chairman Carr has declared that the FCC’s “primary goal” of the pending 2022 quadrennial ownership review “is to promote investment in local broadcasters” that provide trusted news and information important to local communities.<sup>133</sup>

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<sup>130</sup> *2014 Quadrennial Regulatory Review, Order on Reconsideration*, 32 FCC Rcd 9802, 9834, 9836 (2017) (relaxing the local TV rule by repealing the “eight voices” test). See also *Review of the Commission’s Regulations Governing Television Broadcasting, Report and Order*, 14 FCC Rcd 12903, 12911 (1999) (acknowledging that economies of scale “can result in stronger stations and improved service to the public” and modifying the local TV rule to allow duopolies in large markets for the first time); *2002 Biennial Regulatory Review, Report and Order*, 18 FCC Rcd 13620, ¶¶ 147, 169 (2003) (recognizing that common ownership of TV stations in a market may “result in consumer welfare enhancing efficiencies,” identifying costs savings and increased opportunities, including cross-promotion and counter-programming, for broadcasters stemming from multiple station ownership, and finding that loosening the local TV rule was likely to yield efficiencies allowing broadcasters to “invest in new local news and public affairs programming, or at least to maintain existing programming”).

<sup>131</sup> Economies of Scale Study at 1-2; accord Declaration of M. Israel and A. Shampine, Comments of NAB, MB Docket No. 10-71, at Appendix B ¶¶ 49-51 (June 26, 2014) (finding that economies of scale and scope exist in TV broadcasting and that both lead to “increased investment in news programming”). These studies remain unrefuted.

<sup>132</sup> Economies of Scale Study at 2-3.

<sup>133</sup> Statement of Chairman Carr, *2022 Quadrennial Regulatory Review, Notice of Proposed Rulemaking*, MB Docket No. 22-459, FCC 25-64 (Sept. 30, 2025).

To accomplish that goal, the FCC needs to end the negative feedback loop ensnaring broadcasters. Its asymmetric regulatory regime, especially its ownership rules, prevent broadcasters' realization of greater scale economies and retard investment in broadcast stations that then can't produce/acquire more attractive programming to grow their audiences and thus their advertising revenues, which only further discourages capital investment in broadcasting. Reforming the broadcast regulatory regime – and above all repealing the *ex ante* local radio and TV ownership rules and the national TV cap – is the best way forward for broadcasters to improve their competitiveness, gain vital scale economies, attract increased investment, adopt new technologies, and enhance local services.

## **VI. CONCLUSION**

Competition for audiences and advertisers in the communications marketplace is fierce and flourishing. Far from being limited to a few geographically proximate broadcast stations as in the past, consumers today enjoy an over-abundance of audio and video choices accessible from virtually anywhere via any device, 24-7-365. Advertisers in local markets across the country similarly may choose from a plethora of competing ad options, whether traditional, mobile, or online, including Big Tech's dominant platforms.

NAB urges the Commission to carefully analyze all the non-broadcast sources of competition to local radio and TV stations in its upcoming report and in future broadcast regulatory proceedings. To date, the Commission has failed to reckon with how that robust competition impacts broadcast stations and their ability to offer over-the-air services free to the public and how its asymmetric and overly burdensome broadcast regulatory regime should be reformed to account for these undisputed – and indisputable – marketplace realities.

Respectfully submitted,

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