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

In the Matter of)	
Modernization of Media)	MB Docket No. 17-105
Regulation Initiative)	
Implementation of Section 103 of the)	MB Docket No. 15-216
STELA Reauthorization Act of 2014)	
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Totality of the Circumstances Test)	
Amendment of the Commission's Rules)	MB Docket No. 10-71
Related to Retransmission Consent)	
Petition for Rulemaking by SSR)	RM-11643
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Amendment of Section 73.215 of the Commission's Rules Related to)	
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Contour Protection for Short Spaced)	
FM Assignments	1	

REPLY COMMENTS OF THE NATIONAL ASSOCIATION OF BROADCASTERS

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REPLY COMMENTS OF THE NATIONAL ASSOCIATION OF BROADCASTERS

I. INTRODUCTION AND SUMMARY

The National Association of Broadcasters (NAB)¹ hereby submits these reply comments in response to the Commission's media modernization proceeding.² As noted in our initial comments, NAB welcomes the opportunity to participate in the modernization of

¹ NAB is a 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.

² Commission Launches Modernization of Media Regulation Initiative, Public Notice, MB Docket No. 17-105, FCC 17-58 (rel. May 18, 2017) (Public Notice).

the broadcast regulatory regime.³ In considering which proposals to advance, the Commission should keep in mind its stated goal of modifying and eliminating rules that are "outdated, unnecessary or unduly burdensome,"⁴ and disregard proposals that merely seek to shift burdens.

NAB supports many of the proposals offered beyond those reflected in our initial comments that would reduce regulatory burdens and enhance broadcasters' ability to compete without shifting burdens to other parties or harming service to the public. These proposals include relaxing the requirement that AM stations biennially recertify the performance of Method of Moments computer modeling; permitting FM stations using the indirect method of determining operating power to use the efficiency factor generated by its transmitter; eliminating or relaxing the requirement that AM stations perform equipment measurements on an annual basis; authorizing digital operation of remote pick units; eliminating or reforming the requirement for hourly station call sign and community of license announcements; removing the requirement for broadcasters to post a hard copy of their station licenses at the "principal control point"; and eliminating the telephone broadcast rule.

NAB also supports the proposal to reform the Commission's enforcement processes by formally eliminating the practice of placing "holds" on broadcast applications due to pending enforcement complaints. This practice inhibits the ability of broadcasters to engage in station sales and important investment and refinancing transactions and contravenes Section 504(c) of the Communications Act.

³ See Comments of the National Association of Broadcasters, MB Docket No. 17-105, at 4 (July 5, 2017) (NAB Comments).

⁴ Public Notice at 1.

NAB opposes certain proposals that would increase the burdens faced by broadcast licensees, reduce the quality of service to the public, or merely shift burdens to another entity or the public. The Commission should reject proposals including those to modify or eliminate rules related to retransmission consent, network non-duplication and syndicated programming exclusivity; relax or remove third- and second-adjacent FM channel separation protection standards; relax or remove intermediate frequency spacing requirements; reduce the minimum distance separation standards between low-power FM (LPFM) stations and full-power FM stations; remove separation requirements between LPFM stations and FM translators and boosters; and reclassify FM stations if a station has been "underbuilt" for some period of time preceding the filing of a competing application. These proposals do not advance the FCC's stated goals of eliminating unnecessary and unduly burdensome rules but only seek to shift burdens, and the Commission should reject them.

II. CERTAIN RADIO TECHNICAL RULES AND REQUIREMENTS SHOULD BE ELIMINATED OR STREAMLINED

NAB supports many proposals in the record to update, relax or eliminate certain technical regulations governing radio service. Consistent with the goals of the Public Notice, approval of the policy changes described below would streamline and modernize broadcasters' compliance with the Commission's rules and better reflect current technology.

Method of Moments Antenna Performance Recertification. The Commission should relax the Method of Moments (MoM) recertification requirements. Section 73.155 requires that AM directional stations using MoM computer modeling to verify the performance of their antenna patterns recertify the performance of these patterns at least once within every 24-month period.⁵ NAB agrees with the Joint Radio Commenters that such recertification is

⁵ 47 C.F.R. § 73.155.

needlessly burdensome, costly and disadvantageous; broadcasters using conventional verification methods of their antenna systems must evaluate their antenna performance only when a problem arises. We also note that the Commission has already concluded in the AM radio revitalization proceeding that eliminating or relaxing this obligation for stations using MoM verification will not compromise AM service, but will produce savings for broadcasters. At a minimum, the rule should be relaxed to place stations using MoM on equal footing with conventional stations, and require them to recertify performance only when a problem is detected. This approach will create incentives for more AM stations to modernize their operations.

FM Stations Determination of Operating Power. FM stations using the indirect method of determining their operating power should be permitted to use the efficiency factor automatically generated by its transmitter. The current requirement to use an efficiency factor based on prior measurements or data from the transmitter's manufacturer is out of date and does not reflect the modern capabilities of transmitters.⁹

Equipment Performance Measurements. AM stations should no longer be obligated to perform regularly scheduled equipment measurements, or at a minimum, should be

⁶ Comments of Alpha Media LLC, Emmis Communications Corporation, iHeartMedia, Inc., Liberman Broadcasting, Inc., New York Public Radio, and Urban One, Inc., MB Docket No. 17-105, at 8-9 (July 5, 2017) (Joint Radio Comments) (estimating that recertification of directional antenna patters under MoM proof rules can cost tens of thousands of dollars each time).

⁷ Revitalization of the AM Radio Service, First Report and Order, Further Notice of Proposed Rulemaking, and Notice of Inquiry, 30 FCC Rcd 12145, 12175 (2015) (finding that eliminating or relaxing this requirement would not result in "inferior adjustments of AM directional antenna arrays").

⁸ See Joint Radio Comments at 9.

⁹ See 47 C.F.R. § 73.267(c); see also Joint Radio Comments at 9.

required to perform these measurements only every three years.¹⁰ Existing requirements to perform measurements when installing new or replacement equipment better reflect the reliability of modern equipment, and the Commission's complaint process provides a backstop if an unstable transmitter causes unlawful interference to another facility.¹¹

Authorized Bandwidth and Emissions. The Commission should update 47 C.F.R. § 73.462 to permit digital operation of remote pick units (RPUs). Allowing this would likely encourage new uses of spectrum in the RPU frequency bands and would facilitate use of newer digital products already available to other business users of two-way radio systems. ¹²

Station Identification. Section 73.1201 requires that all broadcast stations make a call sign and community of license announcement as close to the top of every hour as feasible. These announcements force stations to disrupt programming and are particularly annoying to viewers and listeners of long-form programming (e.g., sports). The announcements are especially burdensome for multicast digital television stations and radio and television licensees that are part of non-commercial networks, which must include information for all relevant stations, leading to longer, more disruptive announcements. The current obligation also confuses listeners and viewers who already know what radio or

¹⁰ See 47 C.F.R. § 73.1590.

¹¹ See Joint Radio Comments at 10.

¹² See id. at 11.

¹³ 47 C.F.R. § 73.1201.

¹⁴ Comments of America's Public Television Stations (APTS), Corporation for Public Broadcasting, National Public Radio, Inc., and Public Broadcasting Service, MB Docket No. 17-105, at 5 (July 5, 2017) (Public Broadcasting Comments); Comments of Mark D. Humphrey, MB Docket No. 17-105, at 1 (July 5, 2017) (Humphrey Comments) (explaining that it can take certain public radio stations that simulcast on other stations as long as 30 seconds to comply).

television station they are enjoying, but typically recognize broadcast stations by the call letters or brand name of the primary station.

This rule should be relaxed or eliminated. No evidence shows that members of the public need to be reminded at the top of every hour which station they are watching or listening. Even without any formal requirement, broadcasters have a strong incentive to identify themselves to promote their programming. A modern approach would provide stations the discretion to identify themselves in a way that actually suits the needs and interests of their local audience. We also note that cable television networks are not required to make similar identification announcements. Finally, station identification announcements, at least for FM radio, can be delivered and displayed on-screen through a Radio Data System Program Information code or a RadioText message. 16

Posting of Station Licenses. NAB supports proposals to eliminate rules requiring that broadcasters maintain a hard copy of their station licenses at the "principal control point." As noted by the Joint Radio Commenters, most radio stations have converted to dial-up or IP systems, enabling broadcasters to manage their transmitters remotely from a smartphone or PC at any location; thus, the principal control point is no longer relevant. Also, copies of station licenses may be viewed online in the Commission's public databases. The Commission should delete these requirements as obsolete.

¹⁵ Joint Radio Comments at 12.

¹⁶ *Id*.

¹⁷ See 47 C.F.R. §§ 73.1230 (applicable to all broadcast stations) and 74.1265(b) (applicable to FM translator and booster stations).

¹⁸ Joint Radio Comments at 4; see *also* Humphrey Comments at 3; Public Broadcasting Comments at 9-10.

III. THE COMMISSION SHOULD ELIMINATE THE TELEPHONE BROADCAST RULE

As the Radio Television Digital News Association (RTDNA) explained in its comments, the "telephone broadcast rule" is a significant burden unique to broadcast journalists that places them at a competitive disadvantage and impairs their ability to gather and report the news. 19 NAB supports RTDNA's and the TV networks' proposal to eliminate this rule. 20

The rule is overly restrictive and unnecessary in today's marketplace.²¹ All other print and digital journalists are free to record telephone conversations if they comply with applicable federal and state statutes. As RTDNA observed, several other legal protections address concerns about privacy, from the federal wiretapping statute and state statutory provisions to tort law.²² Rather than protecting the public from possible intrusion of their privacy, the rule instead hampers the ability of broadcast journalists to gather and report important information – placing them at a competitive disadvantage and depriving the public of an important source of reporting. The Commission should eliminate this rule.

IV. NAB SUPPORTS PROPOSED REFORM OF THE FCC'S ENFORCEMENT PROCESSES

NAB also supports the Joint Radio Commenters' recommendation that the Commission reform its enforcement policies by eliminating the practice of placing "holds" on

¹⁹ Comments of the Radio Television Digital News Association, MB Docket No. 17-105, at 2 (July 5, 2017) (RTDNA Comments).

²⁰ See *id.* at 2; Comments of CBS Corporation, The Walt Disney Company, 21st Century Fox, Inc. and Univision Communications Inc., MB Docket No. 17-105, at 4 (July 5, 2017).

²¹ The rule prohibits recording any portion of a telephone call for broadcast unless the broadcaster provides prior notice to the person called. This means that a broadcaster cannot call a source and in the middle of the call ask if the person minds having the previous answer put on the air. The rule is so strict that airing even a simple "hello" without previous notice violates the rule. See RTDNA Comments at 5.

²² See RTDNA Comments at 3.

broadcast applications due to a pending enforcement complaint.²³ NAB has long opposed the FCC's practice of declining to act on a broadcaster's application(s), including renewal and/or transfer and assignment applications, if a complaint, letter of inquiry or notice of apparent liability is pending against that broadcaster.²⁴ As we earlier explained, this practice complicates and inhibits broadcast transactions and has a direct financial impact on TV and radio licensees.²⁵

Like the Joint Radio Commenters, NAB appreciates that the Commission has recently improved its enforcement policies.²⁶ We urge the FCC to continue that process by formally eliminating the policy of holding broadcast applications due to the filing of a complaint. This practice is contrary to basic concepts of due process.²⁷ It also contravenes Section 504(c) of

²³ Joint Radio Comments at 14 (urging FCC to stop holding applications because of pending complaints or investigations, provided that either (1) the licensee will continue to hold FCC licenses following the grant of the application, or (2) the assignee or transferee of a license agrees to step into the shoes of the assignor or transferor).

²⁴ See, e.g., Comments of NAB, GN Docket No. 13-86, at 23-24, 36-37 (June 19, 2013) (NAB 2013 Comments); Brief for *Amici Curiae* NAB and Radio-Television News Directors Ass'n in Support of Respondents, *FCC v. Fox Television Stations, Inc.*, Sup. Ct. No. 07-582, at 30-33 (Aug. 8, 2008) (NAB Amicus Brief).

²⁵ See NAB 2013 Comments at 23; NAB Amicus Brief at 31-32. Holds impose significant costs on broadcasters by, for example, delaying or preventing station sales and by making refinancing and investment transactions more expensive and complex. Removing a hold and obtaining application approval have required licensees to sign consent decrees or tolling agreements, which are time consuming and costly to negotiate, and, at least in the past, to place into escrow the funds to pay a potential forfeiture – all due to the filing of a complaint, which the FCC may not have examined and might prove unmeritorious.

²⁶ Joint Radio Comments at 14.

²⁷ It is well settled that FCC "proceedings must satisfy 'the pertinent demands of due process.'" *L.B. Wilson, Inc. v. FCC*, 170 F.2d 793, 802 (D.C. Cir. 1948), quoting *Fed. Radio Comm'n v. Nelson Bros. Bond & Mortg. Co.*, 289 U.S. 266, 276 (1933). The courts have said time and again that the "'core requirements' of due process" are "'adequate notice . . . and a genuine opportunity to explain.'" *Propert v. Dist. of Columbia*, 948 F.2d 1327, 1332 (D.C. Cir. 1991), quoting *Gray Panthers v. Schweiker*, 652 F.2d 146, 165 (D.C. Cir. 1980).

the Communications Act, which expressly states that when the Commission has issued a notice of apparent liability for forfeiture, "that fact shall not be used, in any other proceeding before the Commission, to the prejudice of the person to whom such notice was issued" unless the fine has been paid or payment has been finally ordered by a court.²⁸ At least in the past, broadcasters have been prejudiced even by the existence of unscrutinized complaints, without any FCC action approaching a notice of apparent liability, and that practice should be permanently eliminated.

V. MODIFYING THE RETRANSMISSION CONSENT FRAMEWORK IS NOT DEREGULATORY AND WILL HARM LOCALISM

A few commenters call for modifying the retransmission consent framework under the guise that these changes will further the FCC's goals of eliminating "outdated, unnecessary or unduly burdensome" regulations.²⁹ With only a scant nod to the Commission's overarching goals of advancing "[v]iewpoint diversity and localism,"³⁰ these commenters frame their proposals to reshape the retransmission consent good faith standard and to eliminate or modify the network non-duplication and syndicated program exclusivity rules as "simple rule alterations"³¹ to "restore balance to retransmission consent

²⁸ 47 U.S.C. § 504(c). See also NAB 2013 Comments at 24; NAB Amicus Brief at 32-33.

²⁹ Public Notice at 1.

³⁰ Comments of R Street Institute, MB Docket No. 17-105, at 1 (July 5, 2017) (R Street Comments).

³¹ Comments of NTCA-The Rural Broadband Association, MB Docket Nos. 17-105, et al., at 3 (July 5, 2017) (NTCA Comments). NTCA also asks the Commission to "make clear that there is no barrier to the itemization of programming fees by channel on consumer bills." *Id.* at 5. Should the Commission consider this proposal, it should also simultaneously require that MVPDs describe the true nature of "Broadcast TV Fees" and "Regional Sports Fees" – that they are not required government taxes but rather a way to charge consumers twice – once in the price of the bundle and again as a standalone "fee." See, e.g., Chris Morran, DirecTV's Regional Sports Fees Make No Sense; You May Be Paying \$87/Year More Than Your Neighbor, Consumerist (Mar. 8, 2017) available at

negotiations"³² and inject "maximal [negotiating] freedom."³³ To the contrary, these so-called "simple" modifications would upend the careful balance Congress and the Commission struck to ensure that multichannel video programming distributors (MVPDs) and broadcasters are on equal footing to engage in fair, free marketplace negotiations that serve consumers and foster localism.

As NAB previously recounted, the history of the 1992 Cable Act and subsequent regulations demonstrate a keen awareness by the Commission and Congress that the interrelated retransmission consent, network non-duplication and syndicated programming exclusivity rules work together to "eliminate the 'artificial handicaps exacerbated by disparate regulatory treatment.'"³⁴ Together, these rules "promote localism and the private contractual rights of broadcasters and program suppliers and, in turn, . . . promote the broad distribution of diverse programming to the public."³⁵ As the Commission appropriately recognized one year ago when it declined to modify the retransmission consent framework

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https://consumerist.com/2017/03/08/directvs-regional-sports-fees-make-no-sense-you-may-be-paying-87year-more-than-your-neighbor/.

³² Comments of Verizon, MB Docket Nos. 17-105 et al., at 15 (July 5, 2017).

³³ R Street Comments at 6.

 $^{^{34}}$ See Comments of the National Association of Broadcasters, MB Docket No. 10-71, at 56-57 (May 27, 2011) (quoting Amendment of Parts 73 and 76 of the Commission's Rules Relating to Program Exclusivity in the Cable and Broadcast Industries, Report and Order, 2 FCC Rcd 2393 at \P 12 (1988)).

³⁵ *Id.* at 56, 59 ("The non-duplication and syndicated exclusivity rules themselves do not mandate program exclusivity. . . The actual terms and conditions for network non-duplication and syndicated program exclusivity are a matter of negotiated private contractual agreement between the program supplier and the local television station. Neither the Commission nor its rules provide or enforce program exclusivity provisions or arrangements not agreed to by the program supplier and the local station.").

following an extensive review, "it is clear that more rules in this area are not what we need at this point." ³⁶

The retransmission consent, network non-duplication and syndicated exclusivity rules are neither outdated, unnecessary nor unduly burdensome, and modifying them would not be deregulatory. On the contrary, this trio of inter-related rules ensures that broadcasters have the ability to engage in free-market negotiations with MVPDs to retransmit their signals as Congress intended. Moreover, the exclusivity rules are model regulations, as they serve to eliminate unnecessary transaction costs on parties operating in the marketplace. By ensuring that parties can come to the Commission to resolve disputes, these rules eliminate wasteful spending on protracted litigation with little cost in terms of time or expense for the Commission. ³⁷

VI. THE COMMISSION SHOULD DISMISS PROPOSALS THAT COULD HARM RADIO SERVICE

The Commission should disregard proposed rule and policy changes that could harm the integrity of the FM or AM frequency bands, such as calls for the relaxation or removal of

³⁶ Tom Wheeler, *An Update on Our Review of the Good Faith Retransmission Consent Negotiation Rules* (July 14, 2016) *available at* https://www.fcc.gov/news-events/blog/2016/07/14/update-our-review-good-faith-retransmission-consent-negotiation-rules.

³⁷ In addition, the public broadcasting coalition urges the Commission to modify its rules regarding a station's rebroadcast of another broadcaster's programming to "explicitly permit 'fair use' of station broadcast programs." See Public Broadcasting Comments at 6. The Commission, however, has no authority to adopt this modification. Section 325(a) states that no broadcasting station shall "rebroadcast the program *or any part thereof* of another broadcasting station without the express authority of the originating station." 47 U.S.C. § 325(a) (emphasis added). The public broadcasting coalition must look to Congress for this change, as the Commission may not adopt any rule contrary to express statutory language. See, e.g., Bd. Of Governors of Fed. Reserve Sys. v. Dimension Financial Corp., 474 U.S. 361, 374 (1986) (stating that an agency's "rulemaking power is limited to adopting regulations to carry into effect the will of Congress as expressed in the statute").

third- and second-adjacent FM channel separation protection standards, as well as intermediate frequency spacing requirements.³⁸ Some commenters argue that the channel spacing rules are overly protective against interference, leaving open spectrum that could be used for additional radio services.³⁹ In the same vein, REC Networks proposes reductions in the minimum distance separation standards between LPFM and full-power FM stations,⁴⁰ and the removal of separation requirements between LPFM stations and FM translators and boosters.⁴¹

Although NAB supports efforts to improve spectrum efficiency, modifying the protection standards as proposed could increase noise and interference among stations on the already congested FM band, and hinder upgrades, power increases, transmitter relocations and other station improvements. "Shoehorning" more stations into already crowded bands could reduce signal quality as well as listenership beyond the protected contours of stations. The contour is not a brick wall that blocks listening.

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 $^{^{38}}$ Comments of Brantley Broadcast Associates, LLC et al., MB Docket No. 17-105, at 15-17 (July 5, 2017); Comments of Blackbelt Broadcasting, Inc., MB Docket No. 17-105, at 2-3 (June 24, 2017) (Blackbelt Comments) (relax third-adjacent protections).

³⁹ *Id*.

⁴⁰ Comments of REC Networks, MB Docket No. 17-105, at 16-19 (June 26, 2017) (REC Comments).

⁴¹ *Id.* at 19-22. Regarding LPFM generally, NAB opposes proposals in the record that would change the fundamental hyper-local, non-commercial purpose of LPFM service, including: allowing LPFM stations to barter for commercial time, Comments of the Low Power FM Advocacy Group, MB Docket No. 17-105, at 1-4 (July 5, 2017); permitting the transfer of LPFM stations, REC Comments at 38-43; allowing LPFM stations to use translators as far as 20 miles away, *id.* at 34-36; eliminating the EAS obligations of LPFM stations, Comments of Jeff Sibert, MB Docket No. 17-105, at 2 (July 5, 2017); and raising the maximum power output of LPFM stations to 250 watts, *id.* at 1.

These approaches could limit the flexibility of existing stations to improve or relocate their facilities as more stations are squeezed into the band. Some stations would effectively be hemmed into their current facilities, unable to upgrade, increase power or move their transmitters. For example, stations may be prevented from adapting to the changing needs of their audiences, as their community grows or expands geographically to more suburban areas from a core city center. The existing channel spacing rules provide stations with the flexibility to follow their listeners without causing interference to existing services. 42 Under the proposals to reduce adjacent channel protections, the only safeguard against interference would be the channel tuning capabilities of receivers. However, despite many improved modern receivers, there are far too many receivers in use that lack the selectivity needed to protect against the interference that may result from relaxing the channel separation requirements. The wiser course is to retain the current spacing rules to preserve interference-free service for listeners. 43

For many of the same reasons, NAB opposes proposals to reclassify FM stations if a station has been "underbuilt" for some period of time preceding the filing of a competing, mutually exclusive application from a neighboring station to modify its facilities.⁴⁴ This could box-in FM stations to their current facilities, preventing them from moving their antennas as

 $^{\rm 42}$ Comments of the National Association of Broadcasters, RM-11643, at 6-8 (Oct. 28, 2011) (NAB 2011 Comments).

⁴³ The Commission has repeatedly reinforced its commitment to the channel spacing standards. See, e.g., Streamlining of Radio Technical Rules in Parts 73 and 74 of the Commission's Rules, Notice of Proposed Rulemaking, 13 FCC Rcd 14849, 14860 (1998) (finding the separation rules "of paramount importance to the integrity of the entire FM assignment plan").

⁴⁴ Blackbelt Comments at 3; Comments of SSR Communications Inc., MB Docket No 17-105, at 2-3 (June 23, 2017).

a matter of course due to financial or other reasons. For example, the proposal would prohibit a station from moving its antenna to a newly constructed building or tower that presents a better opportunity for broadcasting its signal, perhaps because it is taller or more economical than the current location.⁴⁵

Broadcasters would also be locked into their existing power levels. Radio broadcasters often launch service with sub-maximum operations while working to generate audience share, with the goal of increasing listenership and advertising revenue that can be used to improve their physical plant. Stations with sub-maximum operations may also have plans to increase power to overcome terrain shielding, obstruction shadowing and difficulties penetrating buildings. Given the increasingly competitive media marketplace, and vagaries of the economy, initiating radio service at sub-maximum levels is a logical, conservative path to financial stability.⁴⁶ Thus, the proposals to reclassify stations that have not yet maximized their operations would undermine the business plans of many broadcasters.

VII. CONCLUSION

NAB applauds the Commission for taking this important step to modernize media regulations. The initial comments in this proceeding show that many regulations need significant modification or elimination. Going forward, the Commission should not inadvertently shift burdens but should stay true to its stated mission of modifying or eliminating outdated rules so that all parties may operate in a regulatory regime better reflecting today's marketplace.

⁴⁵ NAB 2011 Comments at 7.

⁴⁶ Id.

Respectfully submitted,

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