Outdated TV and Radio Rules Limit Local Stations' Ability to Grow and Compete Against Big Tech

The issue:

- For more than 80 years, ownership of local TV and radio stations has been highly regulated by the Federal Communications Commission (FCC). These restrictions cover everything from who can own stations, how many and what kind of stations they can own, and in which markets owners are allowed.
- These obsolete rules harm investment in America's local TV and radio stations and threaten the future of local news and community programming, live sports and public service. Without changes, the tens of millions who rely on free over-the-air broadcasts for news, sports and weather could lose the critical local service broadcasters provide.
- In contrast, local broadcasting's biggest competitors, notably Big Tech and global streaming platforms, operate in a regulatory-free environment, where even massive mergers and acquisitions are approved without a second thought.
- The FCC has an opportunity right now to address these rules so that local programming can thrive and compete with Big Tech.

Go deeper:

The FCC's rules limit local TV and radio stations' growth and prevent them from taking advantage of economies of scale.

- Enacted decades ago, ownership rules have remained substantially unchanged, despite a revolutionary media landscape that provides Americans with an abundance of news and entertainment sources that did not exist when the rules were created. To put it in perspective, most of the rules date back to a time before the internet.
- In contrast, Big Tech platforms, cable TV and streaming services, such as Amazon, Netflix and YouTube, face no such restrictions on audience reach. They can reach 100% of national audiences. What's more, that reach drives advertising revenue that makes their businesses sustainable.
- Removing these obsolete restrictions would allow local stations to innovate, grow and better serve the public.

Without strong local stations, Americans will be ceding even more control to Big Tech to decide what they can see and hear.

- As Big Tech's market share grows, these companies increasingly dominate the news and information that Americans can access. In contrast, the growth of every single broadcasting company is limited by federal law, so without changes, broadcasters can't compete against Big Tech.
- Google-owned YouTube accounts for over one-tenth of all the TV that Americans watch and is unlimited in who it can reach. TikTok is now the go-to news source for nearly 4 in 10 young Americans.
- Meanwhile, local TV broadcasters are only allowed to reach 39% of TV households nationwide, and radio stations can only offer a handful of channels to listeners in each market. Apple, Spotify and Amazon have no such limits.

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Outdated TV and Radio Rules Limit Local Stations' Ability to Grow and Compete Against Big Tech

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The bottom line:

Washington has the power to modernize outdated rules and let local TV and radio compete, but time is running out.

- Without changes to rules, many of the services that Americans rely on from local TV and radio stations could disappear – adversely impacting those who depend on free over-the-air broadcasting for news, sports, weather updates and emergency information.
- In addition to vital news, free over-the-air services means everyone can watch local teams and major sporting events without having to pay for multiple, and often expensive, streaming subscriptions. Fair competition can keep sports available to everyone, not just a privileged few.

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Modernize Outdated Rules That Hurt Local TV Stations' Ability to Compete Against Big Tech

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The issue:

America's local television stations are critical to providing local news, emergency information, entertainment and sports to communities across the country. However, they are forced to comply with outdated rules that place severe limits on their ability to grow and compete.

- These rules, first enacted decades ago, have remained substantially unchanged despite a revolutionized media landscape.
- The ensure the long-term viability of local broadcast TV, Congress and regulators must act to modernize outdated ownership rules that limit local stations' ability to innovate, grow and compete.

Go deeper:

America's local television stations are unfairly constrained by outdated bureaucratic rules designed for a world that no longer exists.

- FCC rules prevent local television companies from owning stations across the country that when combined, have the *potential* to reach more than 39% of U.S. television households, regardless of actual viewers.
- In contrast, Big Tech platforms, cable TV and streaming services, such as Amazon, Netflix and YouTube, are not subject to any constraints. They can reach 100% of national audiences.
- These obsolete rules put local stations at a significant disadvantage, limiting their ability to innovate, compete and provide services to viewers.

Without changes to these outdated regulations, many of the essential services and content that Americans rely on from free local TV stations could disappear – and Big Tech's control over what Americans see and hear will only grow.

- An increasing number of Americans report regularly getting their news from social media sites such as Meta's Facebook (33%) and Instagram (20%), Google's YouTube (32%) and TikTok (17%, including nearly 40% of adults under 30), and these numbers are only projected to grow.
- Because of their massive size, Big Tech companies like Amazon, YouTube and Netflix are also able to pay huge amounts to sports leagues to air games, taking games off of local TV stations that show the games for free to the masses. The end result is that sports fans may soon need numerous streaming subscriptions to watch their favorite teams. Fair competition can keep sports open to everyone, not just a privileged few.

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Modernize Outdated Rules That Hurt Local TV Stations' Ability to Compete Against Big Tech

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Washington needs to act now to get rid of outdated regulations that prevent fair competition.

- After years of inaction, Washington finally lifted restrictions on local stations owning local newspapers in 2017. But this came too late for the thousands of local newspapers that had already shuttered their doors. More than half of U.S. counties now have either no local newspaper or only one remaining print outlet.
- The realities of the new digital age demand updated rules that allow local TV to fairly compete against Big Tech, as well as nationwide cable networks.

The bottom line:

Washington must act now to modernize outdated rules and enable local TV stations to compete. Let's champion fair competition and ensure that Americans continue to have a choice when it comes to where they get their news and sports.

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Modernize Outdated Rules That Hurt Local Radio Stations' Ability to Compete Against Big Tech

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The issue:

America's local radio stations struggle to compete under outdated, bureaucratic regulations that disadvantage them compared to unregulated global audio streaming platforms, including Google's YouTube Music, Apple Music, Amazon Music and Spotify.

- America's local radio stations play a vital role in our communities, providing essential local news, emergency information and community-focused programming.
- Without immediate changes to these rules, communities could lose their local radio stations and the important news, weather, traffic, sports and entertainment they provide.

Go deeper:

Outdated FCC radio rules hurt local stations' ability to grow, giving an advantage to Big Tech platforms.

- FCC rules strictly limit the number of radio stations a company can own in each community, depending on the size of that market.
- In contrast, audio streaming services and satellite radio have no limits on their scale. They can reach every local market and 100% of national audiences with more channels, streams and the choices.
- Big Tech giants, including Amazon, Google and Facebook, also dominate local advertising markets, squeezing the ad revenues available to radio stations and other local media.
- These decades-old rules severely limit investment in radio, hindering stations' ability to innovate, grow and provide more choices for consumers.

Washington needs to act now to modernize outdated radio regulations.

- After years of inaction, Washington finally lifted restrictions on TV stations owning local newspapers in 2017. But this came too late for the thousands of local newspapers that had already shuttered their doors. The result is that more than half of U.S. counties now have either no local newspaper or only one remaining print outlet.
- A similar dynamic of inaction has plagued local radio rules. The radio station ownership rules haven't changed since 1996, when streaming services and satellite radio did not even exist.
- Eliminating these obsolete rules will allow local radio stations to attract investment, upgrade technology, better compete for advertising and increase the variety of local news, sports and music.

The bottom line:

Local radio stations are at a critical juncture. Without immediate action to modernize outdated, bureaucratic rules, many stations risk shutting down, depriving communities of their only source of local news and emergency information. Washington must act swiftly to protect local radio and ensure choice and competition.

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Debunking Myths About Media Ownership

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1. In today's media marketplace, consumers get their content from local radio and TV stations and Big Tech platforms online.

TRUTH

- Big Tech and global streaming platforms in both audio and video marketplaces have become increasingly dominant among consumers:
  - Audio: In 1998, only 6% of Americans aged 12+ had *ever* listened to online audio; *in 2023, 70% had listened to online audio in the past week.*[i]
  - Audio and video: By early 2024, the "smart" device triumph was nearly total - *93%* of Americans aged 12+ owned a smartphone, smart TV and/or smart speaker[ii] to consume content.
  - Video: A 2024 survey found that 73% of Americans report streaming as their first destination for viewing content.
  - Social media: An increasing number of Americans report regularly getting their news from platforms like Facebook (33%), YouTube (32%) and TikTok (17%, including nearly 40% of adults under 30), and these numbers are only projected to grow.

2. Big Tech and global streaming giants and local broadcast stations are regulated equally.

MYTH

- Big Tech and global streaming companies operate absent regulation; local broadcasters are heavily regulated.
  - FCC broadcast regulations limit broadcasters' scale, discourage investment, impede innovation and impose unnecessary paperwork and compliance burdens. Big Tech faces no comparable FCC regulations.
  - From 2019-2024, radio and TV stations paid approximately $338,629,703 in regulatory fees, while their digital competitors paid nothing.

3. The FCC's broadcast regulations have kept pace with the plethora of new entrants in today's media market.

MYTH

- Thirty years ago, Congress recognized existing and emerging market competition that threatened the vitality of free over-the-air broadcasting. To combat that threat, Congress mandated that the FCC review its ownership rules every four years *to ensure they keep pace with increasing competition in the marketplace.*[iii]
- The FCC's Communications Marketplace reports to Congress have acknowledged that local broadcasters compete in audio and video markets with online and cable/satellite services.[1]
- Yet, in its quadrennial review, the FCC nonsensically excluded all multichannel and internet-based platforms from its calculation of whether to roll back regulations on local stations - changes that are essential to foster competition in today's media marketplace. This is contrary to the FCC's mandate from Congress.

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4. **Local stations are competing with Big Tech and global streaming giants for advertising and audience.**

TRUTH

- Advertising: Data from leading industry analysts (Nielsen, Edison, Borrell, BIA) confirm that local stations *have lost significant audience share and advertising revenues* to digital competitors - whose share of local advertising was estimated at 71% in 2024, with projections to rise to 76% by 2027. Google, Amazon and Facebook garner the "lion's share" of those digital ad revenues.[iv]
- Audience: Nearly 9 in 10 U.S. households had at least one video streaming service by early 2024, and over half had four or more streaming services. In 2023, about half of adults watched video via a connected device daily.[2]

5. **If the trends in today's media marketplace continue, costs to consumers are likely to decrease.**

MYTH

- Big Tech and multichannel platforms charge their audience subscription fees, which have steadily increased over time.
- In contrast, local stations provide signals to the public for free, which is becoming more challenging amid significant reductions in advertising revenues.

6. **Reducing ownership regulations for local stations will promote competition in today's expansive media marketplace.**

TRUTH

- Local stations face restrictive rules rooted in a bygone era.
  - No rules restrict YouTube's or Amazon Prime's audience reach to 39% of U.S. households, as local TV station groups are limited.
  - No rule limits music streaming platforms to offering only five or six stations in one local market, like local radio broadcasters.
  - Big Tech and streaming platforms can reach 100% of a global audience at all times.
- Big Tech companies can dip into non-media arms of their businesses to bid on content and sports rights. Reducing ownership regulations may not solve this problem but it will help to level the playing field, allowing local broadcasters greater ability to compete for programming.

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7. Diversity in local broadcasting will increase if ownership regulations are rolled back.

TRUTH

- The FCC repeatedly found that the primary barrier to increased ownership diversity is the lack of access to capital.
- Regulations that restrict broadcasters harm communities by limiting investment in local journalism.
- The better approach to diversity is one that increases the attractiveness of broadcasting to lenders, equity investors and potential new entrants.
- Rolling back outdated ownership rules will allow local stations to achieve economies of scale, better compete, provide more diverse programming and attract increased investment, including by new entrants.

8. Local journalism matters!

TRUTH

- Whether it's a breaking news story or an emergency alert, local stations are the most trusted source of information for their communities.
- Both Republicans and Democrats agree that preserving access to local journalism is essential for a healthy democracy.
- Eliminating outdated regulations will allow local stations to invest in their communities, expanding local content and ensuring consumers have access to free, reliable news and emergency information.
- Ensuring these resources remain available to everyone - no matter where they live - is critical.
- Updating outdated ownership rules also protects consumers by protecting the news source Americans trust most - local stations' free and factual journalism.

The bottom line:

Unless outdated FCC rules are modernized, local stations will struggle to compete, innovate and grow, and many of the services that Americans depend on and love about local TV and radio, such as news, weather and sports, could disappear.

[1] See 2022 Communications Marketplace Report, 212, 295; 2020 Communications Marketplace Report, 150, 240.
[2] Leichtman Research Group (LRG), 49% of Adults Watch Video via a Connected TV Device Daily (June 2, 2023); LRG, 10% of Streaming Video Services Are Borrowed From Someone Else (Mar. 20, 2024).
ii Edison Research, The Infinite Dial 2024, at 7-8, 10 (Mar. 28, 2024).
iii Pub. L. No. 104-1-4, § 202(h), 110 Stat. 56, 111-12 (1996) (Section 202(h) instructs that the FCC "review…all of its ownership rules biennially [now quadrennially]…and shall determine whether any of such rules are necessary in the public interest as the result of competition. The Commission shall repeal or modify any regulation it determines to be no longer in the public interest.") (emphasis added).
[iv] Borrell Associates, 2024 Annual Benchmarking Report (Apr. 23, 2024).

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Big Tech Market Capitalization Dwarfs the Top 10 TV and Radio Companies Combined

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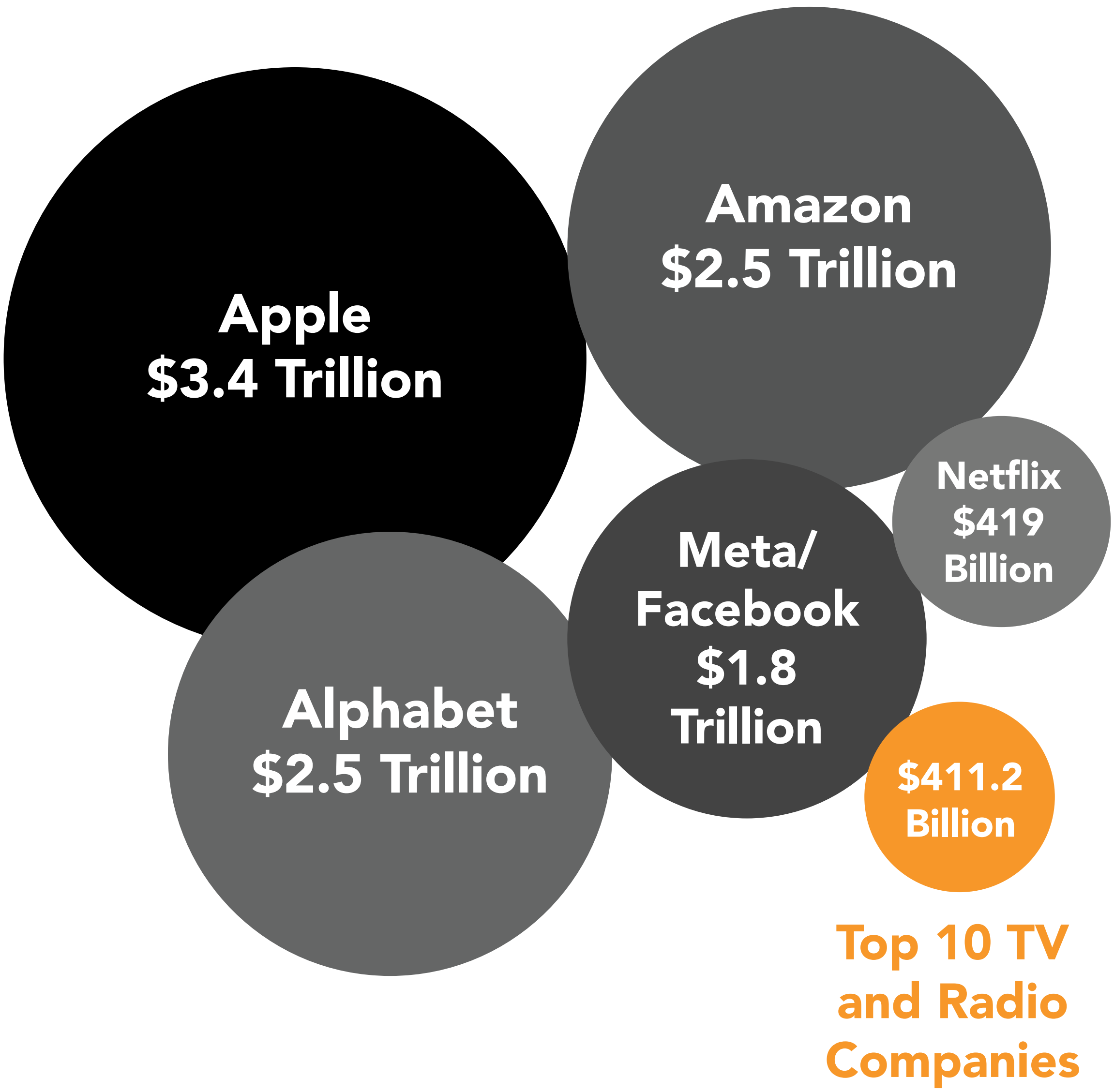
Big Tech giants dwarf the top 10 TV and radio companies combined, making it impossible for local stations to compete for advertising and content rights. Without changes to outdated FCC regulations, the services local stations provide - and Americans depend on - are at risk.



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Source: Yahoo! Finance, 2/5/2025

Big Tech Dominates Local Advertising Revenue, Greatly Surpassing Other Platforms

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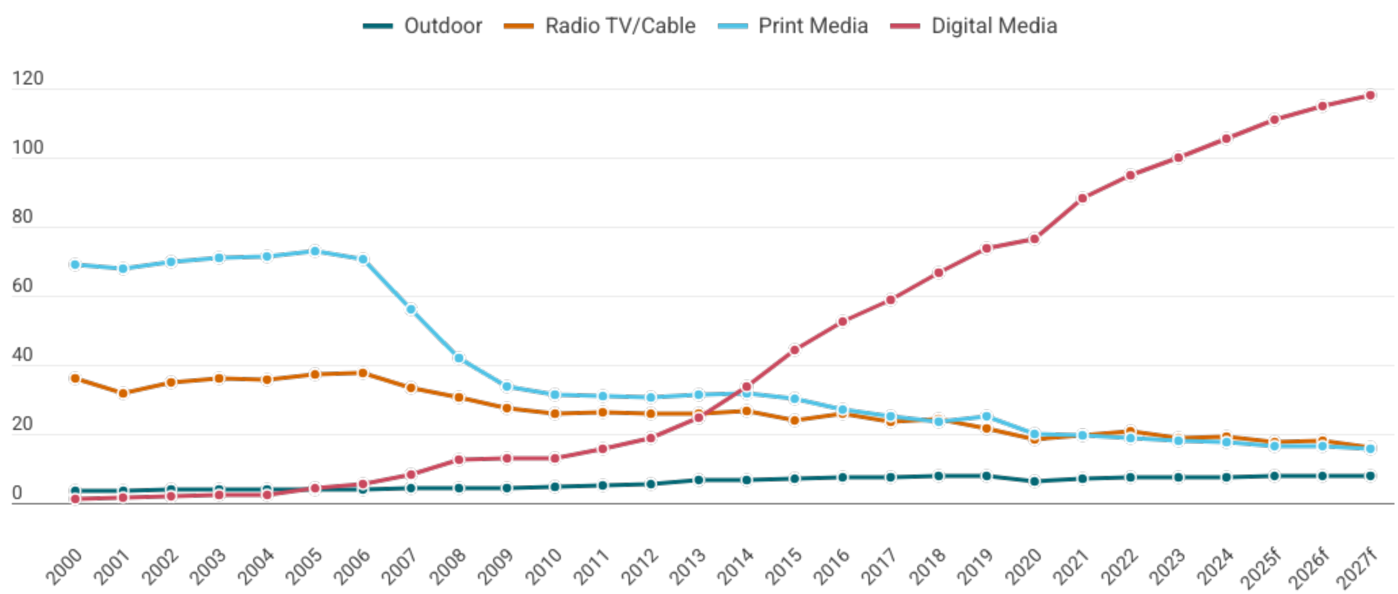
In the last 25 years, digital media has dramatically surpassed outdoor, broadcast and cable and print media in local advertising expenditures and shows no sign of slowing.



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Big Tech Continues to Increase Share of U.S. Local Advertising

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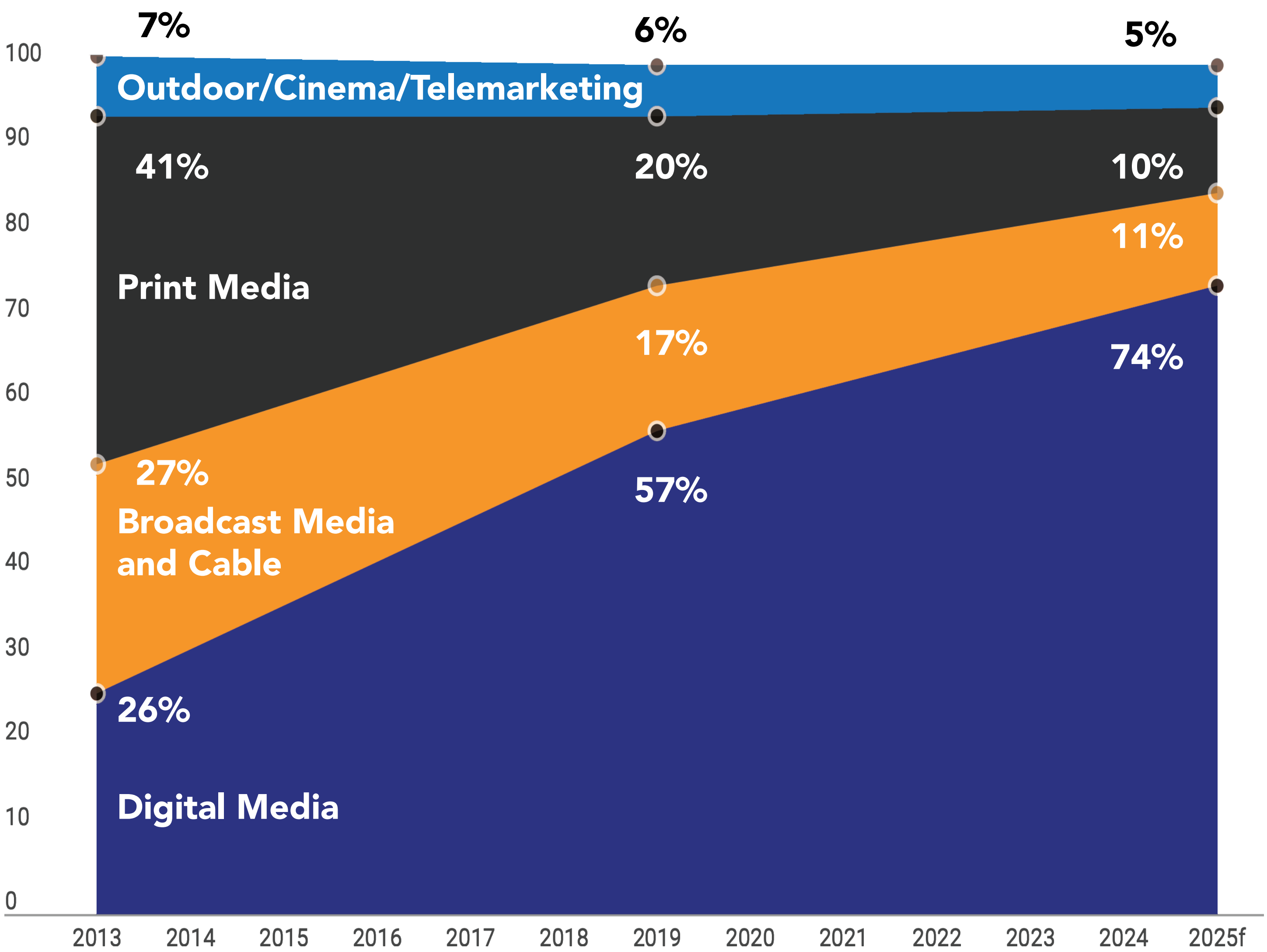
Local TV and radio stations provide signals to the public for free, which is becoming more challenging amid significant reductions in advertising revenues compared to Big Tech. Changing outdated ownership regulations for local stations will promote competition in today's expansive media marketplace.



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Source: Borrell Assoc., Feb. 2023 Report and 2024 Annual Report Benchmarking Local Media's Digital Revenues, April 23, 2024.

Allowing Stations to Scale Up Leads to More Local News

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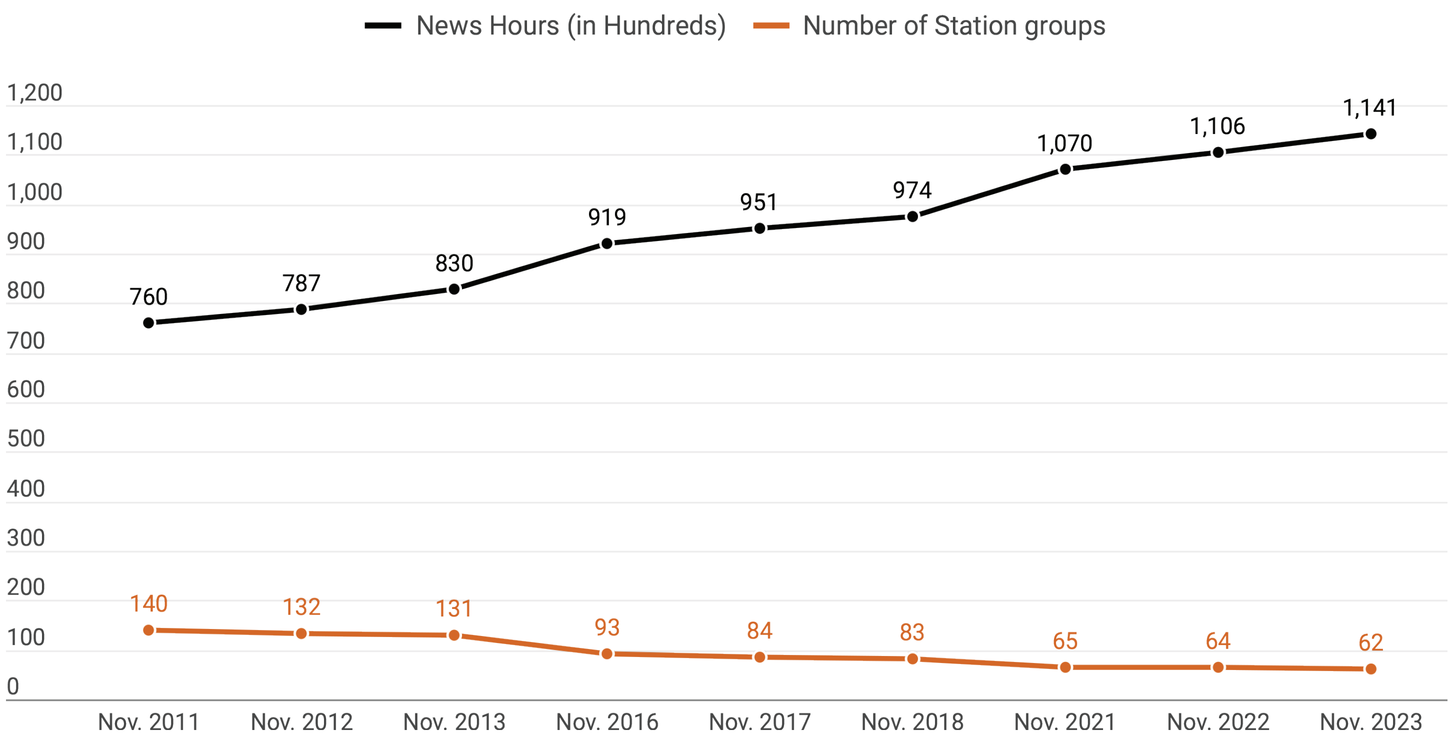
Removing outdated ownership restrictions would help local stations innovate, grow and better serve audiences. As this chart shows, local stations continue to produce more hours of local news, even as the number of station groups has decreased. When stations are allowed to grow, they can provide even more valued services to communities.



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In a Crowded Media Universe, Big Tech Dominates

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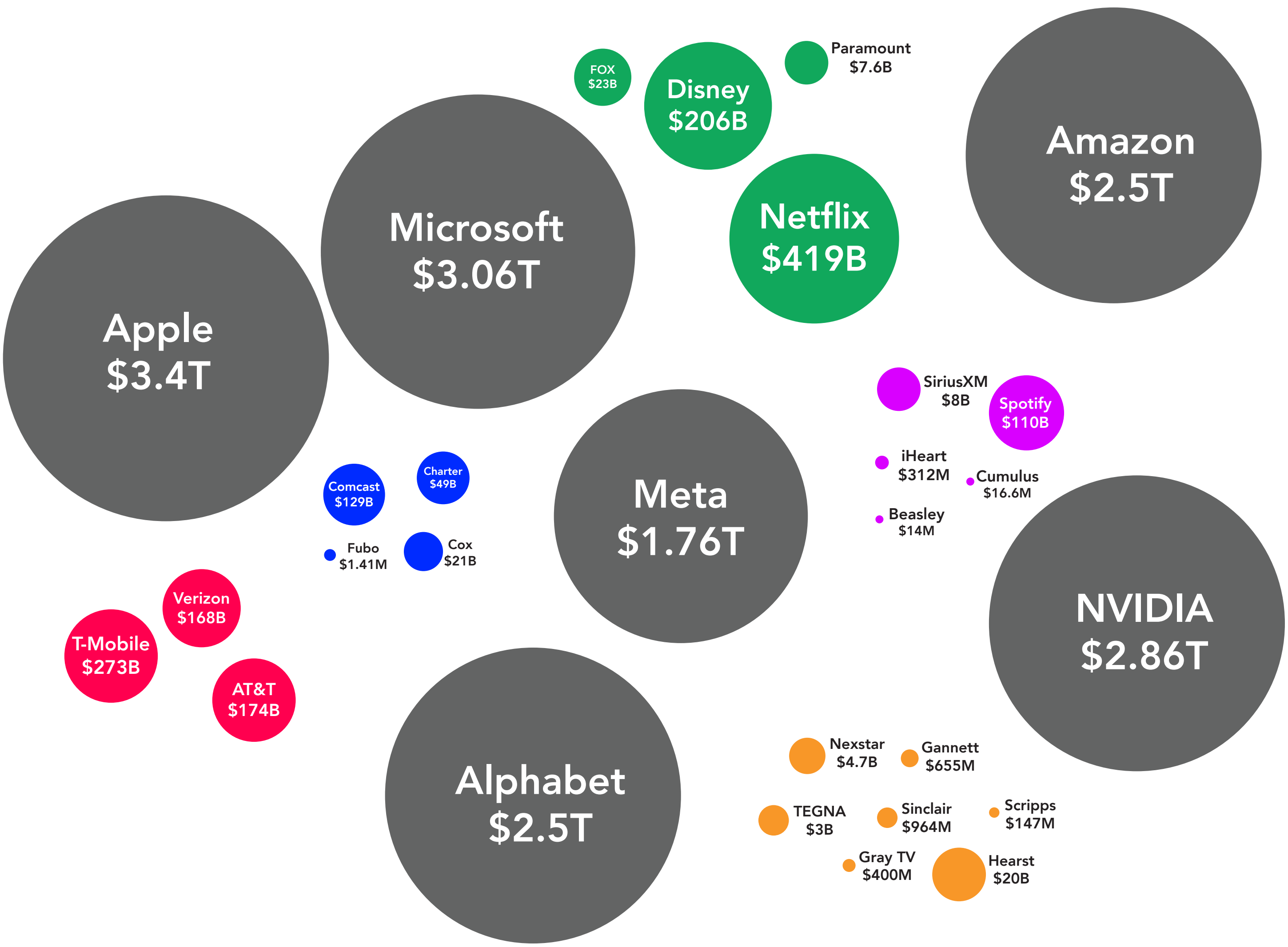

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Source: Evan Shapiro Media Ecosystem Map. Updated Feb. 3, 2025.

Big Tech Garners More Eyeballs in a Competitive Media Landscape

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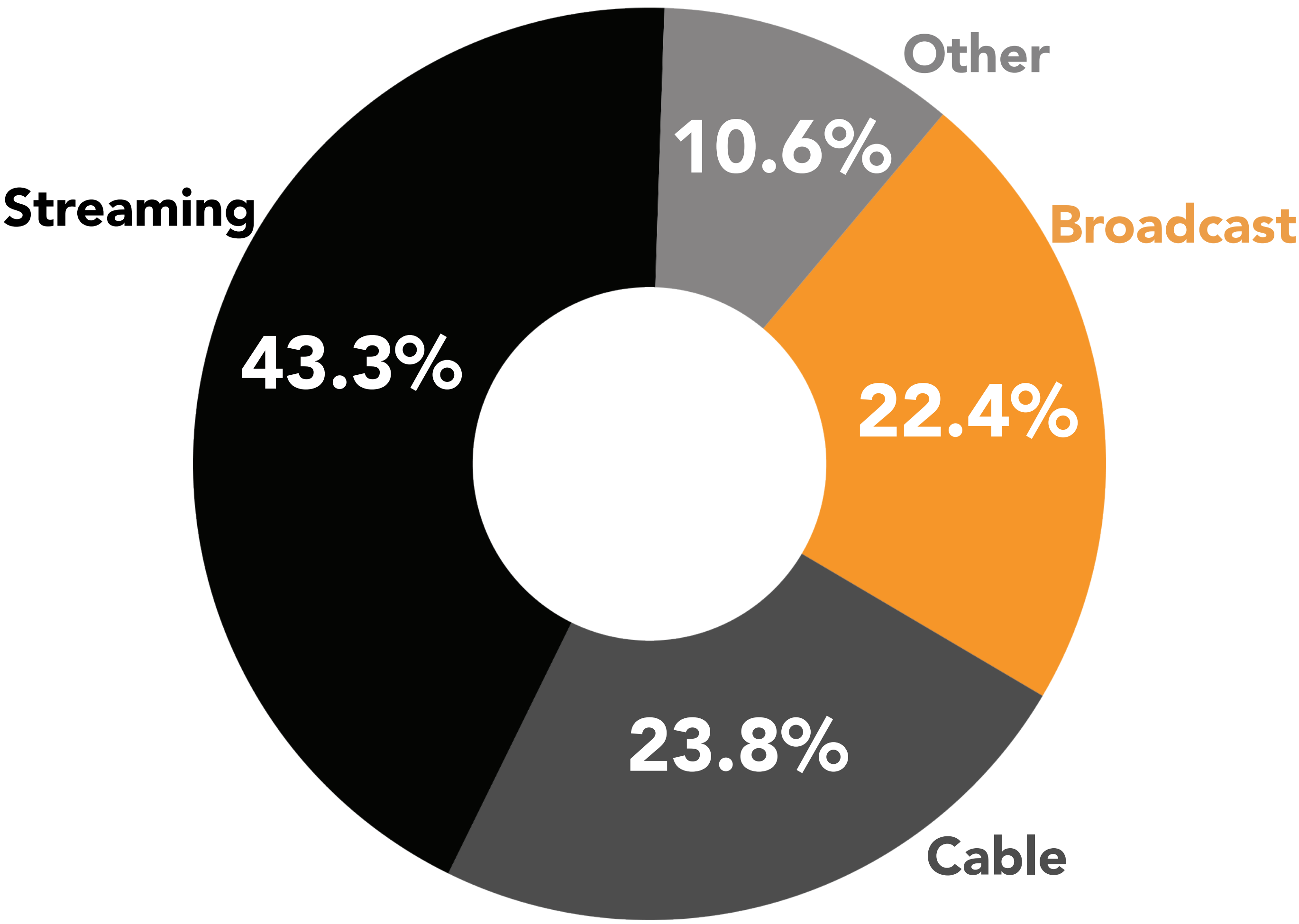
When broadcast ownership rules were put in place, local stations competed mostly with each other for audiences. But times have changed. Now their biggest competitors are Big Tech, which dominates a competitive media landscape.



Breakdown of Streaming Services

YouTube	Netflix	Other	Prime Video	Hulu	Disney	Roku	Tubi	Peacock	Paramount+	Max	Pluto TV
11.1%	**8.5%**	**6.3%**	**4.0%**	**2.5%**	**2.1%**	**2.0%**	**1.7%**	**1.6%**	**1.4%**	**1.2%**	**0.9%**

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Source: Nielsen's The Gauge: Total TV and Streaming Snapshot, December 2024