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1ST SESSION

S. 1577

To assure timely, rational, and complete Federal Communications Commission resolution of all pending proceedings reexamining the current radio and television broadcast station ownership rules.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 13, 1999

Mr. McCAIN introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

A BILL

To assure timely, rational, and complete Federal Communications Commission resolution of all pending proceedings reexamining the current radio and television broadcast station ownership rules.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Broadcast Ownership
5 Reform Act of 1999”.

6 **SEC. 2. FINDINGS.**

7 The Congress makes the following findings:

1 (1) The contemporary electronic mass media
2 market provides consumers with abundant alter-
3 native sources of news, information and entertain-
4 ment, including radio and television broadcast sta-
5 tions, cable television systems, and the Internet.

6 (2) Due to the advent of digital technology,
7 these alternative sources of electronic news, informa-
8 tion and entertainment are converging as well as
9 proliferating.

10 (3) The simultaneous proliferation and conver-
11 gence of electronic mass media renders technology-
12 specific regulation obsolete.

13 (4) The public interest demands that the Fed-
14 eral Communications Commission reexamine its
15 technology-specific regulation of electronic mass
16 media to assure that it retains its relevance in the
17 face of the proliferation and convergence of elec-
18 tronic mass media.

19 (5) Section 202(h) of the Telecommunications
20 Act of 1996 recognized that there is a particular
21 public interest need for the Federal Communications
22 Commission to periodically and comprehensively re-
23 examine its radio and television broadcast ownership
24 rules, which predate the proliferation and conver-

1 gence of alternative competing electronic sources of
2 news, information and entertainment.

3 (6) Although the Commission has reexamined
4 and revised its broadcast duopoly and one-to-a-mar-
5 ket ownership rules, it has not completed long-pend-
6 ing reexaminations of its national television station
7 ownership restrictions or the newspaper-broadcast
8 cross-ownership prohibition.

9 (7) The Commission's failure to simultaneously
10 resolve all its pending broadcast cross-ownership
11 rules fails to recognize, as Congress did in enacting
12 section 202(h), that the proliferation and conver-
13 gence of alternative electronic media implicates the
14 bases of the national television ownership rules and
15 the newspaper broadcast cross-ownership rules no
16 less than the bases of the local radio and television
17 station ownership rules.

18 (8) The Commission's failure to simultaneously
19 resolve all its broadcast cross-ownership rules will
20 affect all potential buyers and sellers of radio and
21 television stations in the interim, because the cur-
22 rent restrictions will prevent networks and news-
23 paper publishers from engaging in station trans-
24 actions to the extent they otherwise might.

1 (9) The Commission’s failure to simultaneously
2 resolve its pending proceedings on the national tele-
3 vision ownership and newspaper/broadcast cross-
4 ownership restrictions is arbitrary and capricious,
5 because it treats similarly-situated entities—those
6 bound by ownership rules that predate the advent of
7 increased competition from alternative electronic
8 media—differently, without any consideration of, or
9 reasoned analysis for, this disparate treatment.

10 (10) The increase in the national television au-
11 dience reach limitation to 35 percent mandated by
12 section 202(c)(1)(B) of the Telecommunications Act
13 of 1996 was not established as the maximum per-
14 centage compatible with the public interest. On the
15 contrary, section 202(h) of that Act expressly directs
16 the Commission to review biennially whether any of
17 its broadcast ownership rules, including those adopt-
18 ed pursuant to section 202 of the Act, are necessary
19 in the public interest as a result of competition.

20 (11) The 35-percent national television audi-
21 ence reach limitation is unduly restrictive in light of
22 competition.

23 (12) The newspaper/broadcast cross-ownership
24 restriction is unduly restrictive in light of competi-
25 tion.

1 (13) The Commission's failure to resolve its
2 pending proceedings on the national television own-
3 ership and newspaper/broadcast cross-ownership re-
4 strictions simultaneously with its resolution of the
5 proceedings on the duopoly and one-to-a-market
6 rules does not serve the public interest.

7 **SEC. 3. INCREASE IN NATIONAL TELEVISION AUDIENCE**
8 **REACH LIMITATION.**

9 (a) **IN GENERAL.**—The Federal Communications
10 Commission shall modify its rules for multiple ownership
11 set forth in section 73.3555(e) of its regulations (47
12 C.F.R. 73.3555(e) by increasing the national audience
13 reach limitation for television stations to 50 percent.

14 (b) **FURTHER INCREASE.**—The Commission may
15 modify those rules to increase the limitation to a greater
16 percentage than the 50 percent required by subsection (a)
17 if it determines that the increase is in the public interest.

18 **SEC. 4. TERMINATION OF NEWSPAPER/BROADCAST CROSS-**
19 **OWNERSHIP RULE.**

20 (a) **IN GENERAL.**—The newspaper/broadcast cross-
21 ownership rule under section 73.3555(d) of the Federal
22 Communication Commission's regulations (47 C.F.R.
23 73.3555(d)) shall cease to be in effect after December 31,

1 1999, unless it is reinstated by the Commission under sub-
2 section (b) before January 1, 2000.

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