

106TH CONGRESS
1ST SESSION

H. R. 942

To amend the Communications Act of 1934 to reduce restrictions on media ownership, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 2, 1999

Mr. STEARNS (for himself, Mr. FROST, Mr. OXLEY, Mr. MCCOLLUM, Mr. FOLEY, Mrs. MEEK of Florida, and Mr. SESSIONS) introduced the following bill; which was referred to the Committee on Commerce

A BILL

To amend the Communications Act of 1934 to reduce restrictions on media ownership, and for other purposes.

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 for the 21st Century Act”.

6 **SEC. 2. REVISION OF DUOPOLY RULES.**

7 Part I of title III of the Communications Act of 1934
8 (47 U.S.C. 301 et seq.) is amended by adding at the end
9 the following new section:

1 **“SEC. 338. REVISION OF DUOPOLY RULES.**

2 “(a) LIMITATION ON DUOPOLY RULES.—The Com-
3 mission shall not prohibit a person or entity directly from
4 owning, operating, or controlling or having a cognizable
5 interest in—

6 “(1) two stations with overlapping coverage
7 contours if each station is located in a separate tele-
8 vision market, or

9 “(2) two television stations within the same tel-
10 evision market, if at least one of such stations is a
11 UHF television station.

12 “(b) PROTECTION OF EXISTING LOCAL MARKETING
13 AGREEMENTS.—All local marketing or time brokerage
14 agreements between two broadcast television stations, lo-
15 cated in the same television market, that were signed prior
16 to the date of enactment of the Broadcast Ownership for
17 the 21st Century Act, shall be exempt from the television
18 duopoly rule. The Commission shall take no action that
19 impairs the renewability or transferability (or both) of
20 these arrangements by either the parties or their succes-
21 sors or assigns.

22 “(c) VHF STATIONS.—The Commission, in unusual
23 and compelling circumstances, may permit a person or en-
24 tity to directly or indirectly own, operate, or control or
25 have a cognizable interest in, two VHF television stations
26 within the same television market, if the applicant dem-

1 onstrates to the satisfaction of the Commission that per-
 2 mitting such ownership, operation, or control will not sig-
 3 nificantly harm competition and will not significantly
 4 harm the preservation of a diversity of media voices in
 5 the local television market.”.

6 **SEC. 3. CROSS-OWNERSHIP LIMITATIONS.**

7 (a) **RULE CHANGES REQUIRED.**—The Federal Com-
 8 munications Commission shall modify section 73.3555 of
 9 its regulations (47 C.F.R. 73.3555)—

10 (1) by eliminating any provisions limiting the
 11 granting or renewal of an AM, FM, or TV broadcast
 12 station license to any party (including parties under
 13 common control) on the basis of the ownership, op-
 14 eration, or control by such party of a daily news-
 15 paper; and

16 (2) by eliminating the one-to-a-market rule in
 17 section 73.3555(c) of such regulations.

18 (b) **PRESERVATION OF COGNIZABLE INTEREST**
 19 **RULE.**—In modifying such section 73.3555 of its regula-
 20 tions, the Commission shall not treat a minority voting
 21 stock interest as a cognizable interest if there is a single
 22 holder of more than 50 percent of the outstanding voting
 23 stock of the corporate broadcast licensee, cable television
 24 system, or daily newspaper in which the minority interest
 25 is held.

1 (c) CABLE CROSS-OWNERSHIP LIMITATIONS.—Sec-
2 tion 613(c) of the Communications Act of 1934 (47
3 U.S.C. 533(c)) is amended—

4 (1) by inserting “(1)” after “(c)”; and

5 (2) by adding at the end the following new
6 paragraph:

7 “(2) Notwithstanding paragraph (1), the Commission
8 may not prohibit or limit a person or entity from holding
9 any form of ownership or other interest in a broadcasting
10 station and a cable system serving the same community.”.

11 (d) DUAL-NETWORK RULES.—The Federal Commu-
12 nications Commission shall revise section 73.658(g) of its
13 regulations (47 C.F.R. 73.658(g)) to permit a television
14 broadcast station to affiliate with—

15 “(1) a person or entity that maintains two or
16 more networks of television broadcast stations unless
17 such dual or multiple networks are composed of two
18 or more persons or entities that, on February 8,
19 1996, offered an interconnected program service on
20 a regular basis for 15 hours or more per week to at
21 least 25 affiliated television licensees in 10 or more
22 States; or

23 “(2) any person or entity controlling, controlled
24 by, or under common control with such a person or
25 entity described in paragraph (1).

1 (e) DEADLINE FOR ACTIONS.—The Federal Commu-
 2 nications Commission shall complete all actions necessary
 3 to complete the modifications required by this section
 4 within 90 days after the date of enactment of this Act.

5 **SEC. 4. LIMITATION ON FEDERAL COMMUNICATIONS COM-**
 6 **MISSION AUTHORITY.**

7 (a) AMENDMENT.—Section 202(c)(1)(B) of the Tele-
 8 communications Act of 1996 is amended by striking “35
 9 percent” and inserting “45 percent”.

10 (b) DEADLINE FOR IMPLEMENTATION.—The Federal
 11 Communications Commission shall amend its regulations
 12 to implement the amendment made by subsection (a) with-
 13 in 90 days after the date of enactment of this Act. In
 14 amending such regulations, the Commission shall not re-
 15 vise section 73.3555(e)(2)(i) of its regulations (47 C.F.R.
 16 73.3555(e)(2)(i)).

17 **SEC. 5. RECIPROCAL TREATMENT OF FOREIGN OWNERSHIP**
 18 **RESTRICTIONS.**

19 Subsection (b) of section 310 of the Communications
 20 Act of 1934 (47 U.S.C. 310(b)) is amended to read as
 21 follows:

22 “(b) FOREIGN OWNERSHIP LIMITATIONS.—

23 “(1) IN GENERAL.—No broadcast or common
 24 carrier or aeronautical en route or aeronautical fixed
 25 radio station license shall be granted to or held by—

1 “(A) any alien or the representative of any
2 alien;

3 “(B) any corporation organized under the
4 laws of any foreign country;

5 “(C) any corporation of which more than
6 one-fifth of any class of the capital stock is
7 owned of record or voted by aliens or their rep-
8 resentatives or by a foreign government or rep-
9 resentative thereof or by any corporation orga-
10 nized under the laws of a foreign country;

11 “(D) any corporation directly or indirectly
12 controlled by any other corporation of which
13 more than one-fourth of any class of the capital
14 stock is owned of record or voted by aliens,
15 their representatives, or by a foreign govern-
16 ment or representative thereof, or by any cor-
17 poration organized under the laws of a foreign
18 country, if the Commission finds that the public
19 interest will be served by the refusal or revoca-
20 tion of such license.

21 “(2) RECIPROCAL TREATMENT FOR BROADCAST
22 STATIONS.—In the case of a broadcast station li-
23 cense, if the foreign country or foreign government
24 referred to in subparagraph (C) or (D) of paragraph

1 of (1) regularly permits broadcast station licenses to
2 be granted to or held by—

3 “(A) any corporation of which more than
4 one-fifth of the capital stock is owned of record
5 or voted by one or more United States persons;

6 “(B) any corporation directly or indirectly
7 controlled by any other corporation of which
8 more than one-fourth of the capital stock is
9 owned of record or voted by one or more United
10 States persons;

11 then the Commission shall apply such subparagraphs
12 (C) and (D) by permitting an alien, corporation,
13 government, or representative from such foreign
14 country to own a portion of the class of the capital
15 stock of the corporation seeking or holding the
16 broadcast station license equal to the portion of the
17 corresponding class of the capital stock of a corpora-
18 tion holding a broadcast station license in such for-
19 eign country that are permitted by such foreign
20 country or foreign government to be held by an indi-
21 vidual citizen, corporation, government, or represent-
22 ative from the United States, except that the Com-
23 mission shall not be required by this paragraph to
24 permit a portion of such capital stock ownership rep-
25 resenting voting stock higher than 40 percent.

1 “(3) DEFINITION OF UNITED STATES PER-
2 SONS.—For purposes of paragraph (2), the term
3 ‘United States person’ means—

4 “(A) any corporation organized under the
5 laws of a State;

6 “(B) an individual who is a citizen of the
7 United States;

8 “(C) a government of the United States or
9 any State; or

10 “(D) a representative of any of the individ-
11 uals or entities described in subparagraphs (A)
12 through (C) of this paragraph.”.

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