

106TH CONGRESS  
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.

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## 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

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## 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.

