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FCC PROPOSES SATELLITE TELEVISION MARKET MODIFICATION RULES

Proposed Rules Seek to Promote Satellite Subscribers' Access to In-State and Other Relevant Programming to Better Serve Communities

Washington, D.C. – The Federal Communications Commission today proposed modifying satellite television market rules to enable satellite subscribers to gain access to in-state news and other programming that they currently are unable to receive. The Notice of Proposed Rulemaking implements Section 102 of the STELA Reauthorization Act of 2014 (also known as "STELAR"). The proposal would, as Congress directed, create regulatory parity between satellite and cable television providers.

Federal law requires satellite television carriers, such as DIRECTV and DISH Network, to use the Nielsen Company's Designated Market Area (DMA) assignments to determine which TV broadcast stations to carry and include in their local programming packages to subscribers. DMAs describe a station's local television market in terms of a unique group of counties and are defined by Nielsen based on measured viewing patterns. DMAs frequently cross state lines and thus may include counties from multiple states.

Where these multistate DMAs exist, satellite subscribers located in certain out-of-state counties within a DMA (so-called "orphan counties") are sometimes unable to receive in-state broadcast television stations. This means that some satellite subscribers may lack access to in-state news, sports, public affairs, political information and emergency information, such as severe weather alerts, school closings, road closures and other breaking news. In addition, some of these subscribers may be located in rural areas which are unable to receive in-state stations by means of over-the-air reception and which may have limited, if any, broadband service.

Congress, through Section 102 of the STELAR, gave the Commission authority to modify a commercial television station's local television market for purposes of satellite carriage rights. Prior to the STELAR, the Commission had authority to modify markets only in the cable carriage context.

The Commission proposes to apply the existing cable rule to the satellite carriage context, while adding rules to address the unique nature of satellite television service, such as giving carriers an exception if the resulting carriage is "not technically and economically feasible." Market modification allows the Commission, on request from a broadcaster or cable operator, to add or delete communities from a particular commercial TV broadcast station's local television market to better reflect market realities.

The STELAR requires the Commission to issue final rules for satellite television market modification on or before September 4, 2015.

Action by the Commission March 26, 2015, by Notice for Proposed Rulemaking (FCC 15-34). Chairman Wheeler, Commissioners Clyburn, Rosenworcel, Pai and O'Rielly. Chairman Wheeler, Commissioners Clyburn, Rosenworcel, Pai and O'Rielly issuing statements.