



April 9, 2026

Marlene H. Dortch, Esq.
Secretary
Federal Communications Commission
45 L Street, NE
Washington, DC 20554

Re: Notice of *Ex Parte* Communications, MB Docket No. 22-459

Dear Ms. Dortch:

On April 9, Rick Kaplan, Erin Dozier, Nandu Machiraju, and the undersigned of the National Association of Broadcasters (NAB) met with Deena Shetler and Harsha Mudaliar of Commissioner Gomez's office to discuss the pending 2022 quadrennial ownership review of the local radio and television rules.

NAB's representatives began by emphasizing the urgent need to remove the local radio ownership caps, which have not changed since 1996 – an era before satellite radio, streaming music services, podcasts, social media, giant digital advertising platforms, smart devices including phones, speakers, and TVs, and automotive phone integration systems. Due to the total transformation of the media and advertising markets since the last century, NAB strongly believes that the *ex ante* restrictions imposed on broadcast radio stations but not their competitors now without question harm rather than promote competition, diversity, and localism and should be eliminated.¹

As shown by Edison Research's Share of Ear for the fourth quarter of 2025 (distributed at the meeting and attached hereto), AM/FM radio's share of the time consumers spend listening to all audio sources has fallen to 32 percent, counting listening to both over-the-air and AM/FM streams – a 40 percent decline from AM/FM's 53 percent share of time spent listening reported by Edison in its first Share of Ear reports in 2014. Share of Ear data over time clearly show that competition from digital audio sources, particularly "pureplay" music streamers, YouTube, and podcasts (which now combine for 50 percent of consumers' time with audio), have eroded and continue to erode terrestrial radio's audience share.

¹ See Comments of NAB, MB Docket No. 22-459, at 44-82 (Dec. 17, 2025) (NAB 2022 Quadrennial Comments). Eight years ago in the 2018 quadrennial review, NAB had proposed eliminating all restrictions on radio station ownership in Nielsen Audio markets 76 and below and in unrated areas, and for markets 1-75, proposed removing all restrictions on AM station ownership and allowing broadcasters to own up to eight FM stations. Given ever increasing competition for audiences, advertising revenues, and investment since that time, however, maintaining any *ex ante* radio ownership restrictions can no longer be justified.

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Similarly, the NAB representatives explained that competition for local advertising dollars from giant digital platforms has significantly undermined the financial position of local radio stations.² Due to vastly increased competition in the advertising market, radio stations' total ad revenues (OTA+digital) declined over 30 percent (even without accounting for inflation) from \$17.4 billion in 2007 to \$12.17 billion (estimated) in 2025.³ As NAB also documented in this proceeding, radio stations in mid-sized and small markets earn mere fractions of the revenues garnered by stations in the top 10 markets, and often struggle to cover their basic fixed operating costs, let alone invest in improved programming, retain (i.e., competitively pay) talented staff or hire additional staff, or update equipment.⁴

Given the precarious financial condition of the broadcast radio industry and the ownership limits that prevent broadcasters from obtaining necessary scale, radio owners cannot attract vital investment needed to support their station groups and the industry.⁵ In short, radio broadcasters are caught in a vicious circle – asymmetric ownership restrictions prevent realization of greater scale economies and reduce investment in stations that then struggle to innovate and invest in more attractive programming to garner audiences and thus advertising revenues, which in turn further reduces the attractiveness of station groups to investors. The FCC must eliminate its analog-era radio ownership caps to not only help broadcast radio survive but also thrive for the benefit of all consumers.

At the meeting, NAB also stressed the benefits that increased common ownership of radio stations bring to consumers. Because radio station owners have every incentive to program each of their radio stations differently and no incentive to replicate the same formats on different stations in the same market, common ownership leads to a greater variety of radio programming available to consumers in local markets. Multiple studies conducted in the decade following the 1996 Telecommunications Act demonstrated that the post-1996 radio

² See NAB 2022 Quadrennial Comments at 56-59. According to Borrell, in 2024 local digital advertising reached \$103 billion (which represented around 70% of all local ad spending), and about 85% of that local digital ad spending left local markets and went to pureplay digital companies such as Google and Facebook, with local media companies (including radio and TV stations and newspapers) garnering only about 15% of local digital ad spend. See Borrell Associates, *2025 Annual Report Benchmarking Local Digital Media*, at 5-9 (May 15, 2025).

³ See NAB 2022 Quadrennial Comments at 59-60, citing BIA Advisory Services.

⁴ *Id.* at 61-62. In 2024, the average full power commercial radio station in the smallest Nielsen Audio markets (201-242) earned only 8.2% of the ad revenues (OTA+digital) garnered by the average station in the ten largest markets. The average station in markets 151-200, 101-150, and 76-100 earned just 10.7%, 11.9%, and 14.1%, respectively, of the revenues garnered by the average station in the top ten markets. *Id.* at 62 (citing BIA data).

⁵ See *id.* at 62-67 (explaining in detail how asymmetric regulation, especially ownership limits impeding achievement of scale economies, harms investment in the broadcast industry).

industry consolidation significantly increased the number of different programming formats available in local markets of all sizes.⁶ These studies include an extensive 2007 examination of radio station ownership and programming commissioned by the FCC, which found that “more concentrated markets” have “more format diversity” and that “common ownership results in more diversity in actual programs aired.”⁷

But programming variety has not continued to increase over time because the ownership restrictions have not been further reformed for 30 years. A 2025 BIA Advisory Services report showed that growth in the number and variety of radio programming formats stagnated after 2006, and in recent years, the diversity of formats offered by local radio stations has remained flat at best.⁸ Not coincidentally, the history of radio station transactions since the 1996 Act shows that most of the consolidation permitted under the loosened rules had occurred by 2006.⁹ Although radio broadcasters have strong incentives to offer new and varied programming in today’s highly competitive audio marketplace, they remain very limited in their ability to do so, given the outdated constraints on local radio ownership and on their acquisition of additional stations. Ending the artificial limits placed on local radio owners’ ability to acquire FM and AM stations will allow broadcasters to offer listeners more diverse types of music in particular, given that 94 percent of full power commercial FM stations and 59 percent of full power commercial AM stations air music as their primary format.¹⁰ The Commission should eliminate the local radio limits that prevent broadcasters from providing improved and more diverse programming over-the-air and for free to their local communities.

Turning to the video marketplace, TV broadcasters, like their radio brethren, face intense competition for audiences and advertising dollars, are disadvantaged by asymmetric ownership restrictions that predate streaming video, social media, digital advertising behemoths, and smart devices, and struggle to obtain necessary investment capital and to pay for increasingly expensive programming, including local news and live sports.¹¹ NAB representatives focused their discussion on the erroneous and anti-competitive arguments

⁶ See, e.g., Reply Comments of NAB, MB Docket No. 18-349, at 45-46 (May 29, 2019) (citing nine studies).

⁷ *2006 Quadrennial Regulatory Review*, Report and Order and Order on Reconsideration, 23 FCC Rcd 2010, 2077 n.404 (2008) (describing findings of FCC-commissioned radio study).

⁸ BIA Advisory Services, *Thirty Years After Radio Deregulation: Has the Variety of Programming Expanded?* (Apr. 2025), Attachment A to NAB 2022 Quadrennial Comments.

⁹ *Id.* at 7. Data on annual broadcast deal volume from 1992-1993 to the present show that 2006 was the last year with a high volume of radio transactions, with 1999 being the peak year for deal volume by a large margin. *Id.* at n.11.

¹⁰ NAB Staff Analysis of BIA Data.

¹¹ See, e.g., NAB 2022 Quadrennial Comments at 82-120; Written *Ex Parte* Communication of NAB, MB Docket No. 17-318, at 6-28 (Apr. 2, 2025).

made by the MVPD industry, continuing its long history of supporting artificial ownership restrictions on broadcasters' reach and scale because MVPDs prefer to compete against and negotiate for retransmission consent agreements with competitively weaker broadcasters.

NAB noted the ongoing efforts of pay TV providers to insert retransmission consent-related issues into the FCC's consideration of virtually anything, including its review of the local television ownership rule.¹² NAB has repeatedly explained that the FCC's broadcast ownership rule proceedings are not appropriate fora for the retransmission consent-related claims of pay TV providers. Indeed, most of the contentions made by pay TV providers in such contexts are entirely outside the FCC's authority because they ultimately seek changes to the system of retransmission consent established by Congress, which can only be made by modifying the Communications Act of 1934 (Act).¹³ This is particularly true with respect to MVPDs' unsupported claims that ownership limits affect the prices, terms, and conditions of retransmission consent agreements, which the Commission cannot lawfully address in any context except its good faith negotiation rules or individual good faith complaints.¹⁴ NAB also

¹² See Comments of NCTA – The Internet and Television Association, MB Docket No. 22-459, at 4-12 (Dec. 17, 2025); Comments of DIRECTV, MB Docket No. 22-459, at 3-24 and Appendix A (Dec. 17, 2025); Comments of ATVA, MB Docket No. 22-459, at 2-9 (Dec. 17, 2025); Comments of Newsmax, MB Docket No. 22-459, at 15-17 (Dec. 17, 2025).

¹³ See, e.g., Joint Reply Comments of NAB, *et al.*, MB Docket No. 17-318, at 73-76 (Aug. 22, 2025) (Joint Broadcasters' National Cap Reply Comments); Reply Comments of NAB, MB Docket No. 22-459, at 62 & n.168 (Jan. 16, 2026) (NAB 2022 Quadrennial Review Reply Comments) (discussing the limits of the FCC's authority with respect to retransmission consent). The FCC has never accepted these MVPD industry arguments asserted over many years – or adopted any of the myriad interventions the industry has urged – because it lacks authority to alter the retransmission consent system set forth in Section 325 of the Act, which in Section 325(b)(1)(A) gives broadcasters direct and full control over the retransmission of their signals. See, e.g., Written *Ex Parte* Communication of NAB, MB Docket Nos. 15-216, 10-71 (Mar. 17, 2016) (explaining in the FCC's last proceeding examining any aspect of retransmission consent that the Commission lacked authority to adopt MVPDs' numerous proposals for intervening in retransmission negotiations or limiting broadcasters' statutorily mandated control over their signals). The FCC notably concluded this proceeding a decade ago by taking no action, despite intense lobbying by MVPDs for intervention in the retransmission consent marketplace.

¹⁴ The Commission has authority to adopt rules governing good faith negotiations and adjudicate complaints of violations of those rules, but that is the extent of its involvement in the retransmission consent negotiation process. See 47 U.S.C. § 325(b)(3)(C). As the FCC has observed, in directing it to adopt rules governing good faith negotiations, Congress did not “contemplate an intrusive role for the Commission with regard to retransmission consent” or “grant the Commission authority to impose a complex and intrusive regulatory regime” or “intend the Commission to sit in judgment of the terms of every retransmission consent

has repeatedly explained that, even if ownership rule changes or specific transactions had any relationship to retransmission consent fees, MVPDs have not demonstrated a connection between such fees and consumer prices, which are entirely within MVPDs control.¹⁵

NAB representatives also explained that high-quality programming content is expensive to produce and acquire, with sports programming costs in particular skyrocketing.¹⁶ Pay TV providers' business model—acquiring rights to resell packages of broadcast signals and other programming to consumers—inherently requires them to pay market rates for those rights just

agreement executed between a broadcaster and an MVPD.” *Implementation of the Satellite Home Viewer Improvement Act of 1999, Retransmission Consent Issues: Good Faith Negotiation and Exclusivity*, First Report and Order, 15 FCC Rcd 5445 ¶¶ 13, 23 (2000) (Good Faith Order). The FCC’s limited role with respect to retransmission consent negotiations ensures that the resulting agreements reflect marketplace conditions and not government intervention, as Congress intended.

¹⁵ See, e.g., NAB 2022 Quadrennial Review Reply Comments at 52-53 (“Even if limiting [local TV] combinations could be shown to reduce pay TV providers’ retransmission consent rates, this still is not a public interest consideration since there is no guarantee – or even a reasonable expectation – that any cost savings would be passed along to consumers.”); Joint Broadcasters’ National Cap Reply Comments at 77-78 (“[C]onsumers would benefit only if pay TV providers pass on their cost savings to the public, which would simply not happen. The pay TV industry already made clear its dramatic opposition to returning fees to consumers in the FCC’s now-sidelined ‘customer rebates for undelivered programming’ proceeding.”). At the meeting, we also reiterated that pay TV providers consistently resist efforts to improve their billing and early termination fee practices, and that fees billed to consumers labeled “Broadcast TV Fee” may or may not relate to actual retransmission consent fees paid for the signals a subscriber receives. See, e.g., Reply Comments of NAB, MB Docket No. 23-405 (Mar. 5, 2024); Comments of NAB, MB Docket No. 23-203 (Jul. 31, 2023). For example, on its consumer-facing website, Charter Communications states that its broadcast TV fee is “a pass-through fee reflecting charges from local broadcast or affiliate TV stations.” See *Spectrum Support, Broadcast TV Surcharge*, available at: <https://www.spectrum.net/support/account-and-billing/broadcast-tv-surcharge> (viewed Apr. 8, 2026). A consumer reading that might believe that the fee reflects what Charter is actually paying for carriage of the consumer’s specific local stations. But in filings with the FCC, Charter has explained that “the Broadcast TV Surcharge is imposed on a national, per subscriber basis.” Opposition to Petitions for Declaratory Ruling, Enforcement Order and Further Relief of Charter Communications, Inc. (Charter), MB Docket No. 18-91 and 18-101, at 19 (Apr. 26, 2018), <https://www.fcc.gov/ecfs/document/104260593504616/1>.

¹⁶ See, e.g., NAB 2022 Quadrennial Comments at 118, citing W. Friedman, *Sports Rights Costs Grow Faster Than Revenue Gains*, Television News Daily (Aug. 29, 2025) (sports media rights payments in the U.S. skyrocketed to \$30.5 billion in 2025, up 122 percent from \$13.8 billion in 2015, far outpacing increases in revenues earned by their media partners, and raising questions about the ability of broadcasters to continue to afford sports rights).

like broadcasters and everyone else in the marketplace.¹⁷ Even if the Commission lawfully could adopt regulations aimed at modifying retransmission consent fees, there is no reason it should, as a public policy matter, intervene in the marketplace for the purpose of aiding media behemoths that dwarf even the largest local broadcast companies.¹⁸ Placing a government thumb on the scales in favor of pay TV in retransmission consent negotiations will only reduce funds available to broadcasters to afford sports programming and other high-quality content, thereby hastening the migration of such programming to pay platforms, where the public will have no option to view it for free.¹⁹

Finally, NAB stressed that the Commission should remove its across-the-board broadcast ownership rules that fail to take account of real-world competitive conditions in the specific local markets at issue in proposed station combinations. No other media or FCC licensees are subjected to any comparable *ex ante* restrictions. In the absence of *ex ante* rules, the Commission would still review all proposed station transactions on a case-by-case basis, guarding against the possibility that a broadcast station merger could raise public interest concerns even in today's hyper-competitive and diverse media and ad markets. Especially given the FCC's authority over all broadcast license transfers and assignments under the Communications Act, the *ex ante* ownership rules stopping many transactions at the outset serve no legitimate purpose. And as NAB has shown, many radio and TV station transactions prevented by the current *per se* rules would be pro-competitive and enable stations to better serve their local communities.²⁰

¹⁷ Indeed, in establishing retransmission consent by statute, Congress intended that MVPDs using stations' signals would compensate broadcasters for the market value of their signals. See, e.g., S. Rep. No. 102-92, at 35 (1991) (concluding that MVPDs' use of stations' signals without consent and without compensating broadcasters for the value of those signals had distorted the video marketplace and threatened the future of free OTA broadcasting, and that "public policy" should not support such a system). Congress designed a free "marketplace for the disposition of the rights to retransmit broadcast signals" and did not intend the government to "dictate the outcome of the ensuing marketplace negotiations," including by setting prices or other terms and conditions of retransmission arrangements. *Id.* at 36.

¹⁸ See, e.g., NAB 2022 Quadrennial Comments at 101-02 (comparing, for example, Gray Television's market capitalization (\$0.51 billion) with that of pay TV providers like Charter Communications, Inc. (\$25.76 billion or *50 times larger than Gray*) or Verizon (\$169.54 billion, or more than *330 times larger than Gray*)).

¹⁹ See, e.g., Comments of NAB, MB Docket No. 26-45, at 11-16 (Mar. 27, 2026) (documenting consumer frustration about migration of sports programming to confusing array of MVPD and streaming platforms, all with increasingly high paywalls).

²⁰ See NAB 2022 Quadrennial Comments at 77-82, 120-128 (demonstrating that the *per se* local radio and TV caps are arbitrary, irrational, and harmful).

NAB urges the FCC to complete the 2022 quadrennial review as quickly as possible and repeal its local radio and TV rules. Please do not hesitate to contact us with any questions.

Respectfully submitted,



Jerianne Timmerman
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Legal and Regulatory Affairs

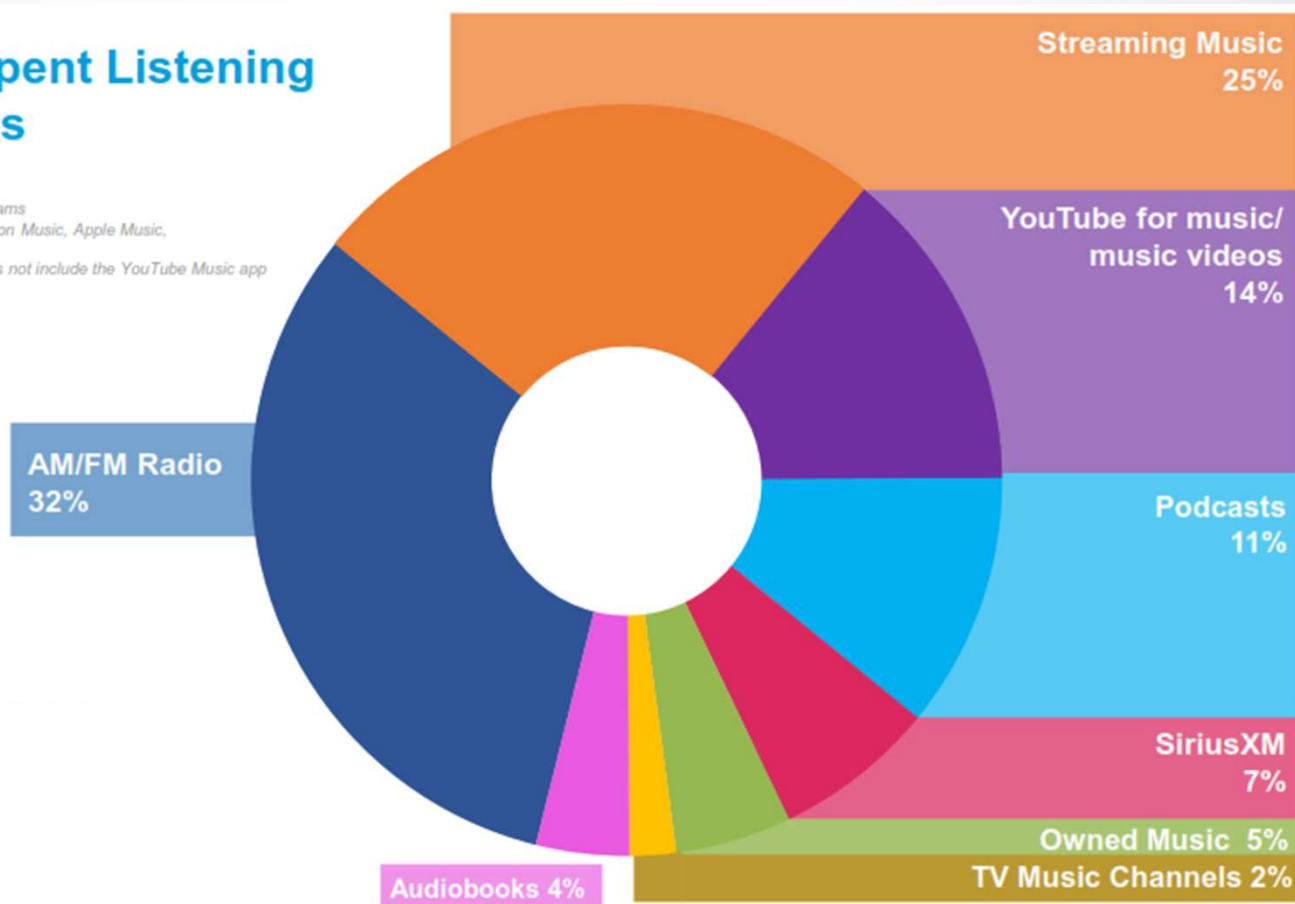
cc: Deena Shetler, Harsha Mudaliar



Share of Time Spent Listening to Audio Sources

U.S. Population 13+

*AM/FM Radio includes over the air and radio streams
Streaming Music includes services such as Amazon Music, Apple Music, Pandora, Spotify, YouTube Music, and others
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