November 24, 2026

FCC FACT SHEET*

2022 Quadrennial Regulatory Review – Review of the Commission's Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996

Report and Order – MB Docket No. 22-459

Background: The Report and Order completes the most recent quadrennial review mandated by section 202(h) of the 1996 Telecommunications Act, which instructs the Commission to determine whether its broadcast ownership rules remain necessary in the public interest as the result of competition and to "repeal or modify any regulation it determines to be no longer in the public interest." The three rules now subject to this quadrennial review are the Local Radio Ownership Rule, the Local Television Ownership Rule, and the Dual Network Rule. After conducting this review, the Commission concludes that, in light of unprecedented competitive challenges facing the economics of broadcasting, the Local Radio Ownership Rule and the Local Television Ownership Rule should be modified to provide licensees with greater flexibility, while the Dual Network Rule should be maintained to preserve the balance between local broadcast stations and national networks. Through such action, the Commission seeks to empower local stations to compete effectively in today's media marketplace. This regulatory relief will allow local broadcasters to sustain the wherewithal to continue serving their local communities.

What the Report and Order Would Do:

Local Radio Ownership Rule and Local Television Ownership Rule

- Convert the existing rigid limits on common ownership of broadcast licenses in a market to presumptive baselines of allowable ownership and allow licensees to apply to acquire additional stations beyond a market baseline on a case-by-case basis.
- Rationalize ownership restrictions in the face of increasingly fierce competition from new media sources, which operate without the public interest obligations of broadcast licensees but nonetheless draw from the same advertising and audience pool.
- Support local stations through providing flexibility for local ownership arrangements that can better provide the wherewithal stations need to meet their public interest obligations.
- Replace firm caps on local radio station ownership with presumptively acceptable baseline ownership levels, while allowing licensees to seek approval to exceed those baselines by demonstrating that their proposals would serve the public interest.
- Repeal the AM/FM ownership subcaps so that licensees can choose the mix of AM or FM stations they operate in a market.
- Permit ownership of more than two television stations in a market, subject to a case-by-case public interest showing.
- Allow broadcast station television owners to better fulfill their public interest obligations, including through investment in local programming.

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Dual Network Rule

- Finds that the Dual Network Rule, which effectively prohibits mergers among the big four TV networks (ABC, CBS, Fox, and NBC), remains necessary in the public interest to maintain the leverage that local broadcast television stations have in network negotiations and to better allow such stations to advocate for, and serve, local community interests.

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of 2022 Quadrennial Regulatory Review – Review of the Commission's Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996	MB Docket No. 22-459

REPORT AND ORDER*

Adopted: [ ] **Released: [ ]**

By the Commission:

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I. INTRODUCTION

1. Today, the Commission embraces the future of broadcasting by modernizing its ownership rules to empower local broadcasters to compete, invest, innovate, and provide the services their communities need, want, and deserve. Thirty years ago, Congress recognized that the Commission's broadcast ownership rules could not remain frozen in time.[1] Congress therefore directed the Commission

* This document has been circulated for tentative consideration by the Commission at its December 17, 2026 open meeting. The issues referenced in this document and the Commission's ultimate resolutions of those issues remain under consideration and subject to change. This document does not constitute any official action by the Commission. However, the Chairman has determined that, in the interest of promoting the public's ability to understand the nature and scope of issues under consideration, the public interest would be served by making this document publicly available. The Commission's ex parte rules apply and presentations are subject to "permit-but-disclose" ex parte rules. See, e.g., 47 CFR §§ 1.1206, 1.1200(a). Participants in this proceeding should familiarize themselves with the Commission's ex parte rules, including the general prohibition on presentations (written and oral) on matters listed on the Sunshine Agenda, which is typically released a week prior to the Commission's meeting. See 47 CFR §§ 1.1200(a), 1.1203.

to periodically reassess those rules in light of competition and determine whether they continue to serve the public interest. Competition, technology, and consumer behavior have evolved dramatically in the decades since, fundamentally transforming the media marketplace in which broadcasters operate. Yet the regulatory framework governing broadcast ownership has failed to keep pace. With this order, we meet that moment.

2. The audio and video marketplaces look much different today than they did even a decade ago. For example, broadcast stations now compete with streaming audio and video services, social media platforms, online news sources, podcasts, satellite radio, and an ever-expanding array of digital media. There has also been a shift in consumer preferences and behavior as audiences increasingly consume news and entertainment on demand, across devices and platforms, while advertisers have gained new ways to reach those audiences outside of traditional over-the-air broadcasting. These market shifts have placed growing pressure on the economic model that supports local broadcasting and increased the importance of achieving the scale and efficiencies necessary to compete. Yet even as the marketplace around them has transformed, broadcasters remain uniquely rooted in the communities they serve providing trusted local news and information, emergency alerts, and programming responsive to local needs. To continue providing these vital services, broadcasters must have the flexibility to compete effectively in today's media marketplace.

3. Against this backdrop of monumental change, in this quadrennial review, the Commission once again assesses the broadcast ownership rules to determine whether these rules remain necessary in the public interest as the result of competition, as Congress has instructed us to do.[2] Specifically, we review the three ownership rules that remain subject to quadrennial review: (1) the Local Radio Ownership Rule;[3] (2) the Local Television Ownership Rule;[4] and (3) the Dual Network Rule.[5] In conducting this review, we consider whether these rules continue to serve the Commission's longstanding public interest goals of competition, localism, and viewpoint diversity.

4. After careful consideration of the record, we conclude that our local ownership rules should provide broadcasters greater flexibility to compete in today's media marketplace while continuing to advance these important goals. Accordingly, we modify both the Local Radio Ownership Rule as well as the Local Television Ownership Rule to allow for greater common ownership, while retaining the Dual Network Rule without modification. Specifically, we eliminate the subcaps[6] in the Local Radio Ownership Rule and reframe the remaining components of both local ownership rules to serve as the baselines from which additional common ownership may be permitted on a case-by-case basis. The changes adopted today remove outdated constraints on broadcasters in an effort to improve their relative strength as they compete in the broader media marketplace and continue to serve their local communities as the most trusted sources of local news and information.

[1] Telecommunications Act of 1996, Pub. L. No. 104-104, § 202(h), 110 Stat. 56, 111-12 (1996) (1996 Act); Consolidated Appropriations Act, 2004, Pub. L. No. 108-199, § 629, 118 Stat. 3, 99-100 (2004) (Appropriations Act) (amending sections 202(c) and 202(h) of the 1996 Act). In the 2004 Consolidated Appropriations Act, Congress revised the then-biennial review requirement to require such reviews quadrennially. *See* Appropriations Act § 629, 118 Stat. at 100.

[2] 1996 Act; Appropriations Act.

[3] 47 CFR § 73.3555(a).

[4] 47 CFR § 73.3555(b).

[5] 47 CFR § 73.658(g).

[6] The radio rule's AM/FM subcaps limit the number of radio stations from the same service, i.e., AM or FM, that an entity may own in a single market. 47 CFR § 73.3555(a)(1).

II. BACKGROUND

5. Congress enacted section 202(h) of the Telecommunications Act of 1996, to require the Commission to periodically review its media ownership rules. As originally enacted, section 202(h) required the Commission to conduct this review every two years.[7] Congress amended the statute in 2004 to require review every four years.[8] By requiring periodic review, Congress ensured that the Commission would regularly reassess whether its ownership rules remained justified as competition and the media marketplace evolved. The purpose of the statutory quadrennial review is to determine whether the Commission's media ownership rules "are necessary in the public interest as the result of competition" and to "repeal or modify any regulation [the Commission] determines to be no longer in the public interest."[9] Under this analysis, the Commission has focused principally on whether the media ownership rules continue to serve our traditional policy goals of competition, localism, and viewpoint diversity.[10] As noted above, the Commission's broadcast ownership rules that are subject to the quadrennial review are the Local Radio Ownership Rule, the Local Television Ownership Rule, and the Dual Network Rule.[11] The Local Radio Ownership Rule limits the number of radio stations that one entity can own in a local market; the Local Television Ownership Rule limits the number of television stations that one entity can own in a local market; and the Dual Network Rule effectively permits television broadcast stations to affiliate with any entity that maintains multiple broadcast networks unless such networks include two or more of the Big Four broadcast networks (ABC, CBS, FOX, or NBC).

6. Since Congress enacted section 202(h) in 1996, the Commission has conducted a series of reviews pursuant to that directive to examine the evolving marketplace and determine whether its broadcast ownership rules continued to remain necessary in the public interest as a result of competition. Initially, Congress instructed the Commission to conduct these reviews on a biennial basis but changed that requirement in 2004 to establish a quadrennial review.[12] The 2022 Quadrennial Review marks the latest such review conducted pursuant to section 202(h).[13]

7. *2018 Quadrennial Review.* The Commission's most recently completed quadrennial review pursuant to section 202(h) began in 2018 with the adoption of a notice of proposed rulemaking.[14] Despite the timely adoption of the *2018 Quadrennial Review NPRM*, a number of legal developments delayed Commission action on that proceeding.[15] On December 26, 2023, the Commission released the

[7] 1996 Act, § 202(h).

[8] Appropriations Act, § 629.

[9] 1996 Act, § 202(h).

[10] *2018 Quadrennial Regulatory Review – Review of the Commission's Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996*, MB Docket No. 18-349, Report and Order, 38 FCC Rcd 12782, 12793, para. 21 n.64 (2023) (*2018 Quadrennial Review Order*) (stating "the Commission has consistently interpreted the reference in section 202(h) to the 'public interest' as incorporating our traditional policy objectives under that standard, namely, competition, localism, and viewpoint diversity" (internal citations omitted)).

[11] These rules are found, respectively, at 47 CFR §§ 73.3555(a), (b), and 73.658(g).

[12] Appropriations Act § 629, 118 Stat. at 100.

[13] The Commission previously conducted such reviews in 1998, 2000, 2002, 2006, 2010, 2014 and 2018, but released a combined report and order to complete the 2010 and 2014 reviews.

[14] *2018 Quadrennial Regulatory Review – Review of the Commission's Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996,* MB Docket No. 18-179, Notice of Proposed Rulemaking, 33 FCC Rcd 12111 (2018) (*2018 Quadrennial Review NPRM*).

[15] Prior to adoption of the *2018 Quadrennial Review NPRM*, several parties had sought judicial review of the 2010/2014 Quadrennial Review Order on Reconsideration, which had concluded the 2010/2014 Quadrennial Review and adopted rule changes that then became the basis for comment in the subsequent 2018 Quadrennial Review. *2022 Quadrennial Regulatory Review – Review of The Commission's Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996*, Public Notice, 37 FCC Rcd

2018 Quadrennial Review Order.[16] In that *Order*, the Commission reaffirmed the existing legal framework for evaluating the Commission's broadcast ownership rules, which focuses on the policy goals of competition, localism, and viewpoint diversity.[17] In addition, the Commission, on a 3-2 basis, concluded that all three of the broadcast ownership rules under review remained necessary in the public interest.[18] With respect to the Local Radio Ownership Rule, the Commission made only a minor modification but otherwise retained the rule's existing per-market caps, which had been in place since 1996.[19] For the Local Television Ownership Rule, the Commission majority expanded the scope of the rule. Specifically, the Commission revised the rule by: (1) updating the methodology for determining station ranking within a geographic market; and (2) expanding the existing prohibition on transactions involving certain network affiliations in a market.[20] As for the Dual Network Rule, the Commission concluded that the rule remained necessary in the public interest without modification.[21]

8. After the Commission adopted the *2018 Quadrennial Review Order,* several parties sought judicial review of the Commission's decision, with the case decided by the United States Court of Appeals for the Eighth Circuit (Eighth Circuit) in July 2025.[22] The Eighth Circuit largely upheld the *2018 Quadrennial Review Order* but vacated and remanded components of the Local Television Ownership Rule.[23] Specifically, the court found that the Commission acted arbitrarily and capriciously in retaining the Top-Four Prohibition part of the television ownership rule and improperly tightened the rule by modifying Note 11 to prohibit certain television transactions involving network affiliations.[24] Regarding section 202(h)'s grant of statutory authority, the Eighth Circuit held that the statute allows the

15097, 15098 (MB 2022) (*2022 Quadrennial Review PN*). On September 23, 2019, the Third Circuit vacated and remanded the Commission's actions in the 2010/2014 Quadrennial Review Order on Reconsideration. *See id.* (citing *Prometheus v. FCC*, 939 F.3d 567 (3rd Cir. 2019)). The Commission and broadcast industry petitioners then asked the U.S. Supreme Court to review and overturn the Third Circuit's decision. *Id.* The Supreme Court reversed the Third Circuit's decision in a unanimous decision on April 1, 2021. *See id.* at 15098-99 (citing *FCC v. Prometheus Radio Project*, 141 S.Ct. 1150, 1154 (2021)). As nearly two years had passed since the original comment period closed for the 2018 Quadrennial Review, the Media Bureau released a public notice seeking to refresh the record in the proceeding. *Id.* at 15099.

[16] *2018 Quadrennial Review Order*, 38 FCC Rcd at 12782.

[17] *See id.* at 12789, para. 12 (stating that "the Commission's review under section 202(h) focuses on determining whether there is a reasoned basis for retaining, repealing, or modifying each rule consistent with our long-standing public interest goals of competition, localism, and viewpoint diversity.").

[18] *2018 Quadrennial Review Order*, 38 FCC Rcd at 12783, para. 2.

[19] *Id.* at 12797, para. 27 ("The only modification we adopt is to make permanent the interim contour-overlap methodology long used to determine ownership limits in areas outside the boundaries of defined Nielsen Audio Metro markets and in Puerto Rico").

[20] *Id.* at 12833-12840, paras. 91-105.

[21] *Id.* at 12844, para. 117.

[22] *Zimmer Radio of Mid-Missouri, Inc. v. FCC*, 145 F.4th 828 (8th Cir. 2025) (*Zimmer Radio*).

[23] *Zimmer Radio*, 145 F.4th at 839-40.

[24] *Id.* at 854-856. The Top-Four Prohibition precluded any entity from owning more than one of the top four stations in the same geographic market. *Id.* at 841; 47 CFR § 73.3555(b)(1)(ii).

Commission to loosen regulations but not tighten them.[25] Accordingly, the Eighth Circuit vacated and remanded the Top-Four Prohibition and the amendment tightening Note 11.[26]

9. *2022 Quadrennial Review.* Prior to adoption of the *2018 Quadrennial Review Order*, and the Eighth Circuit's subsequent decision on that order, the Media Bureau purported to commence the 2022 Quadrennial Review on December 22, 2022, with a public notice seeking an initial round of comments in the proceeding.[27] Comments in response to the *2022 Quadrennial Review Public Notice* were due by March 3, 2023, and reply comments were due by March 20, 2023.[28]

10. Following the Eighth Circuit's *Zimmer Radio* decision pertaining to the 2018 Quadrennial Review, the Commission adopted a notice of proposed rulemaking in the 2022 Quadrennial Review proceeding on September 30, 2025.[29] In the *2022 Quadrennial Review NPRM,* the Commission sought comment on the Local Radio Ownership Rule, the Local Television Ownership Rule, and the Dual Network Rule,[30] all of which have been reflected in our broadcast regulations since the 1940s.[31] Specifically, in the *2022 Quadrennial Review NPRM*, the Commission sought comment on whether these rules remain necessary in the public interest in light of increased competition.[32] The *2022 Quadrennial Review NPRM* also sought comment on whether the Commission should continue to evaluate these rules using its three traditional goals of competition, localism, and viewpoint diversity.[33] Because the Eighth Circuit ultimately vacated the Top Four-Prohibition, the *2022 Quadrennial Review NPRM* did not seek

[25] *Zimmer Radio*, 145 F.4th at 860-62. The Eighth Circuit noted that this holding conflicts with the Third Circuit decision in *Prometheus I*. *Id.* at 861-62. *See Prometheus I*, 373 F.3d at 394-95. Several commenters argue that the Eighth Circuit's *Zimmer Radio* holding that Section 202(h) is deregulatory is the correct reading of the statute. National Association of Broadcasters NPRM Comments at 13-19 (NAB); Fox Corporation NPRM Comments at 2 (Fox); International Center for Law and Economics NPRM Comments at 3-4 (ICLE); Nexstar Media, Inc. NPRM Comments at 4 (Nexstar); Sinclair Broadcasting Group, Inc. NPRM Comments at 3 (Sinclair). We agree with those commenters that the Eighth Circuit's interpretation of 202(h) in *Zimmer Radio* is the best reading of the statute while the Third Circuit's analysis in *Prometheus I* appears at odds with the statute's deregulatory purpose.

[26] *Zimmer Radio*, 145 F.4th at 857.

[27] *2022 Quadrennial Regulatory Review – Review of The Commission's Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996*, MB Docket No. 22-459, Public Notice, 37 FCC Rcd 15097 (MB 2022) (*2022 Quadrennial Review Public Notice*).

[28] *Media Bureau Announces Comment and Reply Comment Deadlines for the 2022 Quadrennial Review Notice of Proposed Rulemaking*, MB Docket No. 22-459, Public Notice, 38 FCC Rcd 284 (MB 2023). A few comments and other filings in MB Docket No. 18-349 were resubmitted in the docket of this proceeding. To the extent that those filings raised substantive issues, they have been addressed in the *2018 Quadrennial Review Order*. *2018 Quadrennial Review Order*, 38 FCC Rcd at 12787, para. 10 n.28. More recently, in response to a Public Notice seeking comment on Commission rules that should be eliminated "for the purpose of alleviating unnecessary regulatory burdens," numerous comments addressed the rules also subject to this review. *See Delete, Delete, Delete*, GN Docket No. 25-133, Public Notice, 40 FCC Rcd 1601 (2025). Some of those *Delete, Delete, Delete* comments were also filed and cross-referenced in this quadrennial review proceeding.

[29] *2022 Quadrennial Regulatory Review – Review of The Commission's Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996*, Notice of Proposed Rulemaking, MB Docket No. 22-459, Notice of Proposed Rulemaking, 40 FCC Rcd 7971 (2025) (*2022 Quadrennial Review NPRM*).

[30] *Id.* at 7971, para. 2.

[31] *Amendment of Sections 3.35, 3.240 and 3.636 of the Rules and Regulations Relating to Multiple Ownership of AM, FM and Television Broadcast Stations*, 18 F.C.C. 288, 290, para. 4 n.3 (1953) (citing 5 Fed. Reg. 2384 (1940), 6 Fed. Reg. 2284 (1941), and 8 Fed. Reg. 16065 (1943)) (stating that the Commission adopted multiple ownership rules for FM radio stations in 1940, television stations in 1941, and AM radio stations in 1943); *Amendment of Part 3 of the Commission's Rules*, 11 Fed. Reg. 33, 37 (1946) (adopting a Dual Network Rule for television).

[32] *2022 Quadrennial Review NPRM,* 40 FCC Rcd at 7971, 7976-87, paras. 1, 13-44.

[33] *Id.* at 7974, para. 7 & n.24.

comment on the Top-Four Prohibition or any of its related components.[34] Comments in response to the *2022 Quadrennial Review NPRM* were due by December 17, 2025, and reply comments were due by January 16, 2026.[35]

III. STANDARD OF REVIEW

A. Introduction

11. In this Report and Order, we reaffirm our long-standing framework under section 202(h) of the Telecommunications Act of 1996, pursuant to which we examine the media ownership rules subject to the quadrennial review to "determine whether such rules are necessary in the public interest as the result of competition."[36] Specifically, we reaffirm that under this framework, the Commission continues to focus on the three traditional policy goals of competition, localism, and viewpoint diversity when determining whether our rules serve the public interest.[37] In this review, we find that the statute,[38] judicial precedent,[39] and the record in this proceeding support retaining our traditional multi-factor approach,[40] and we reject suggestions that the statute should be re-interpreted to consider competition as the sole factor under our public interest analysis[41] or to include other factors such as national security in the analysis.[42] As discussed below, we do, however, revisit our view of the marketplace and broaden our approach to account for competitive pressures exerted on broadcast radio and television by non-broadcast sources.

B. Background

12. When the Commission conducts quadrennial reviews, it assesses the media ownership rules with the express purpose of determining whether such rules remain necessary in the public interest as the result of competition.[43] The statute requires the Commission to repeal or modify any rule that no

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[34] *Id.* at 7980, para. 23 n.65.

[35] *Comment and Reply Dates Set for 2022 Quadrennial Review Notice of Proposed Rulemaking,* MB Docket No. 22-459, Public Notice, 40 FCC Rcd 8783 (2025).

[36] 1996 Act, § 202(h) (which, in establishing mandatory review, further instructs the Commission to "repeal or modify any regulation it determines to be no longer in the public interest.").

[37] *2022 Quadrennial Review NPRM,* 40 FCC Rcd at 7974, para. 7 (stating "[t]his analysis has focused principally on whether the particular rule continues to advance the agency's traditional policy goals of competition, localism, and viewpoint diversity") (citing 47 U.S.C. § 309(a), requiring the Commission to determine, when considering a broadcast license, "whether the public interest, convenience, and necessity will be served by granting such application") (other citations omitted)).

[38] 1996 Act, § 202(h).

[39] *Zimmer Radio*, 145 F.4th at 844 (finding "Congress suggested 'competition' should be read through the lens of the 'public[-]interest' standard, a standard which provides significant discretion to the Commission." (citing *FCC v. WNCN Listeners Guild*, 450 U.S. 582, 593 (1981)).

[40] *E.g.,* Free Press NPRM Comments at 10 (stating "The Commission's ownership policies are its tool for promoting the Act's goals of competition, localism, and diversity"); Connoisseur Media, LLC et al. NPRM Comments at 67-69 (Joint Radio Commenters) (discussing need to strengthen locally-oriented broadcasters against national digital media power to meet the public interest); JVC Media NPRM Comments at 1 (JVC) (stating "Local Radio's Public Interest Role Has Grown, Not Diminished"); Nexstar NPRM Comments at 26 (stating "the Commission must facilitate an ecosystem that allows stations to thrive on local efficiencies, permitting enhanced newsgathering, reporting, community involvement, and innovation").

[41] *E.g.*, NAB NPRM Comments at 20 (stating that "competition is the only public interest factor Congress specifically identified in Section 202(h)").

[42] Foundation for Defense of Democracies NPRM Comments at 5-7 (FDD).

[43] 1996 Act, § 202(h) (stating "[t]he Commission shall review its rules adopted pursuant to this section and all of its ownership rules biennially as part of its regulatory reform review under section 11 of the Communications Act of

longer remains necessary in the public interest as the result of competition.[44] In determining whether the public interest is served, the Commission focuses principally on whether the particular rule continues to advance the agency's traditional policy goals of competition, localism, and viewpoint diversity.[45] Thus far, the public interest analysis under section 202(h) has been conducted as a multi-factor review in which no one factor is controlling.[46] Where there has been a conflict between competing goals, the Commission has weighed the potential effects to determine whether, on balance, the rule continues to serve the public interest.[47] Since the three traditional goals are not always discrete and mutually exclusive, we weigh and balance tradeoffs between each goal where they arise, with the recognition that in some respects they may overlap and complement each other.[48] In the *2022 Quadrennial Review NPRM,* we sought comment on the three traditional policy goals of competition, localism, and viewpoint diversity and how to measure them.[49] We also sought comment on whether to modify how we examine competition and whether to broaden the market definition used in our competition analysis.[50]

13. With regard to determining whether the media ownership rules serve the public interest, the Eighth Circuit held that the Commission's prior definition of competition was consistent with section 202(h).[51] The Eighth Circuit found that section 202(h)'s public interest standard provides significant discretion to the Commission.[52] The Eighth Circuit also held that the Commission likewise "has

1934 and shall determine whether any of such rules are necessary in the public interest as the result of competition. The Commission shall repeal or modify any regulation it determines to be no longer in the public interest.). Although section 202(h) initially required biennial review, in 2004, Congress revised the then-biennial review requirement to require such reviews quadrennially instead. Appropriations Act § 629, 118 Stat. at 100.

[44] 2*002 Biennial Regulatory Review – Review of the Commission's Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act 1996*, MB Docket Nos. 00-244 et al., Report and Order, 18 FCC Rcd 13620, 13722, para. 265 (2003) (*2002 Biennial Review Order*) (stating that "Section 202(h) contemplates that we will exercise our rulemaking authority to repeal or modify ownership rules that we determine are no longer in the public interest").

[45] The Commission has long held that "as temporary trustees of the public's airwaves, broadcasters are obligated to operate their stations to serve the public interest." *Report on Broadcast Localism and Notice of Proposed Rulemaking*, MB Docket No. 04-233, 23 FCC Rcd 1324, 1327, para. 6 (2008); 47 U.S.C. § 309(a) (requiring the Commission to determine, in broadcast licensing, "whether the public interest, convenience, and necessity will be served by granting such application"); *FCC Reminds Broadcasters of Their Public Interest Obligations*, Public Notice, DA 26-530 (MB May 28, 2026).

[46] *2022 Quadrennial Review NPRM*, 40 FCC Rcd at 7974*,* para. 7.

[47] *2018 Quadrennial Review Order*, 38 FCC Rcd at 12795-96, para. 25.

[48] *2022 Quadrennial Review NPRM*, 40 FCC Rcd at 7974*,* para. 8.

[49] *Id.*

[50] *Id*. at 7977-7978, 7980-7981, paras. 14-17, 25-26.

[51] *Zimmer Radio*, 145 F.4th at 843-46. In *Zimmer Radio*, the Eighth Circuit examined "whether 'competition' should encompass all major competitors or only a relevant subset of those competitors." *Id*. at 844. In doing so, the Eighth Circuit considered the Commission's definition of competition which "effectively determined that only *complete* substitutes—competitors in every facet of the business—constitute substitutes for purposes of this inquiry." *Id*. at 844 (citing to *2018 Quadrennial Review Order* at 12823-24) (emphasis in original). On the other hand, the Eighth Circuit also considered the petitioners' response that "the Commission 'was statutorily obligated to factor [non-broadcast] competition into its public interest analysis' because the word 'competition' necessarily covers more than just broadcast competition." *Zimmer Radio*, 145 F.4th at 844. Ultimately, the Eighth Circuit found that "in light of the Commission's 'broad power to regulate in the public interest,' we recognize the Commission is best positioned to define 'competition' for purposes of Section 202(h)." *Id.* at 845.

[52] *Zimmer Radio*, 145 F.4th at 844 (holding that "the Commission may "implement its view of the public-interest standard of the Act 'so long as that view is based on consideration of permissible factors and is otherwise reasonable.'" (citing *FCC v. WNCN Listeners Guild*, 450 U.S. 582, 594 (1981)).

discretion to interpret 'competition' so as best to serve the public interest."[53] The Eighth Circuit noted that the Commission's exercise of discretion must be consistent with the law and must not operate "outside the constraints of the Administrative Procedure Act's arbitrary-and-capricious review."[54]

C. Discussion

14. *Public Interest Analysis*. As discussed above, in the *2022 Quadrennial Review NPRM*, the Commission sought comment on the three traditional policy goals of competition, localism, and viewpoint diversity.[55] The record contains comments both supporting the Commission's longstanding interpretation of section 202(h) to include the public interest objectives of competition, localism, and viewpoint diversity as well as comments advocating for a different approach. For instance, one group of joint commenters[56] explains that the Commission emphasized the three factors of competition, localism, and viewpoint diversity in its evaluation of how broadcast ownership rules affect the public interest long before Congress enacted section 202(h).[57] As such, APA et al. asserts that "Congress was undoubtedly aware of the Commission's longstanding consideration of those factors and expected it to consider them when evaluating the ongoing need for its media ownership rules."[58] APA et al. further explains that "[l]ocalism, viewpoint diversity, and competition all promote intelligent, informed democratic self-governance in the United States . . ." and thus the Commission should "maintain its approach of considering all three traditional factors in tandem."[59]

15. In contrast, NAB argues that "competition is the only public interest factor Congress specifically identified in Section 202(h)."[60] NAB further reasons that while "for many decades the Commission included competition as one of the public interest goals of its broadcast ownership rules (along with viewpoint diversity and localism), Congress nonetheless explicitly cited 'competition' alone, as well as referring to the 'public interest.'"[61] As such, NAB asserts that "[g]iven this language, 'competition' in Section 202(h) is best understood as the lens through which the public interest need for the ownership rules must be viewed."[62]

16. As early as the 1998 Biennial Review, which was the first review conducted pursuant to section 202(h), the Commission declined commenters' requests to evaluate section 202(h) solely through the lens of competition.[63] In interpreting the statutory language in section 202(h), the Commission has consistently concluded that the phrases "necessary in the public interest" and "as the result of

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[53] *Zimmer Radio*, 145 F.4th at 844-45.

[54] *Id.* at 846.

[55] *2022 Quadrennial Review NPRM*, 40 FCC Rcd at 7974-75, para. 8.

[56] The joint commenters include: Archival Producers Alliance; Future Film Coalition; Media and Democracy Project; Multicultural Media, Telecom, and Internet Council (MMTC); Public Knowledge, Patricia Aufderheide, J. Israel Balderas, Victor Pickard, and Christopher Terry (APA et al.).

[57] APA et al. NPRM Comments at 5 (citing *Lorillard v. Pons*, 434 U.S. 575, 580 (1975); *Loper Bright Enterprises v. Raimondo*, 603 U.S. 369, 386 (noting that a contemporaneous agency interpretation of a statute is due "respect") (*Loper Bright*)).

[58] APA et al. NPRM Comments at 5.

[59] *Id*.

[60] NAB NPRM Comments at 20.

[61] *Id.*

[62] *Id.*

[63] *2018 Quadrennial Review Order*, 38 FCC Rcd at 12791, para. 19 (citing *1998 Biennial Regulatory Review – Review of the Commission's Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996,* MM Docket No. 98-35, Biennial Review Report, 15 FCC Rcd 11058, 11063, para. 8 (2000) (*1998 Biennial Review Report*)).

competition" must be read in conjunction, observing that the provision is aimed at determining whether competition has removed the public-interest necessity for a rule, and is not intended to limit the factors the Commission should consider in making the public interest determination.[64] The Commission has further noted that the legislative history of the Telecommunications Act of 1996 reflects congressional concern with ensuring diversity within the media landscape.[65] Such legislative history highlights a national objective to promote "diversity of media voices, vigorous economic competition, technological advancement, and promotion of the public interest, convenience, and necessity," and repeatedly links diversity and competition as key considerations informing Commission decision-making in the media marketplace.[66]

17. Further, in interpreting the language in section 202(h), the Eighth Circuit found that the word "competition" is subject to more than one meaning and considered the term based "'upon reading the whole statutory text.'"[67] Thus, the court held that "[b]y requiring the FCC to determine whether its rules 'are necessary in the public interest as the result of competition,' Congress suggested that 'competition' should be read through the lens of the 'public[-]interest' standard, a standard which provides significant discretion to the Commission."[68] Further, the *Zimmer Radio* case explained that "the Supreme Court has long recognized, the public-interest standard is 'a supple instrument for the exercise of discretion by the expert body which Congress has charged to carry out its legislative policy.'"[69] As such, the Eighth Circuit concluded that the Commission has "discretion to interpret 'competition' so as best to serve the public interest."[70]

18. Pursuant to the Commission's longstanding interpretation of section 202(h), and the Eighth Circuit's finding that the Commission has the discretion to interpret section 202(h) to best serve the public interest, we continue to find that considering localism and viewpoint diversity in addition to competition is the best reading of the statute. We do not find that NAB has provided sufficient justification for the Commission to deviate from considering these three policy goals when interpreting section 202(h). Thus, we reject NAB's assertion that our public interest analysis should only consider competition when reviewing the media ownership rules.[71]

19. We continue to apply the three factors of competition, localism, and viewpoint diversity in determining whether our broadcast ownership rules serve the public interest. As asserted by APA et al., the Commission has applied these traditional policy goals since long before Congress enacted section 202(h).[72] The Commission has long maintained that the public interest is advanced by promoting the principles of competition, localism, and viewpoint diversity, thereby preventing undue consolidation

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[64] *2018 Quadrennial Review Order*, 38 FCC Rcd at 12791, para. 19.

[65] *Id.* at 12792, para. 19.

[66] *Id*. (citing S. Conf. Rep. 104-230, 104th Cong. 2d Sess. 163 (1996), which the *2018 Quadrennial Review Order* states "highlights the national need to promote 'diversity of media voices, vigorous economic competition, technological advancement, and promotion of the public interest, convenience, and necessity' and twice pairs diversity with competition as factors for the Commission's consideration in its decisions regarding the marketplace").

[67] *Zimmer Radio*, 145 F.4th at 844 (citing to *Dolan v. U.S. Postal Serv.*, 546 U.S. 481, 486 (2006)).

[68] *Zimmer Radio*, 145 F.4th at 844.

[69] *Id.* (citing *FCC v. WNCN Listeners Guild*, 450 U.S. 582, 593, 101 S. Ct. 1266, 67 L. Ed. 2d 521 (1981)).

[70] *Zimmer Radio*, 145 F.4th at 844-845; *see also FCC v. Prometheus,* 592 U.S. at 426-27 (endorsing the Commission's consideration of competition, localism, and viewpoint diversity when analyzing whether broadcast ownership rules advance the public interest).

[71] NAB NPRM Comments at 20.

[72] APA et al. NPRM Comments at 5 (citing *Lorillard v. Pons*, 434 U.S. 575, 580 (1975); *Loper Bright*, 603 U.S. at 386 (noting that a contemporaneous agency interpretation of a statute is due "respect")).

within media markets.[73] We believe that our multi-factor approach continues to be an effective mechanism for determining whether our rules serve the public interest, and we reaffirm that conclusion in this Report and Order.

20. *Competition.* NAB further asserts that "competition" under section 202(h) should be read more broadly and that the Commission should consider competition in all its forms and from all resources.[74] However, NAB acknowledges that the Eighth Circuit recognized the Commission's broad discretion to interpret the public interest standard and did not overturn the Commission's view of competition in *Zimmer Radio*.[75] NAB maintains that, based on the record in this quadrennial review, the Commission "should exercise its discretion to view marketplace competition much more realistically by taking proper account of broadcasters' digital and multichannel competitors."[76] According to NAB, section 202(h) is "best understood as requiring the Commission to analyze the impact of all sources of competition on radio and TV broadcasters and their provision of OTA programming free to consumers everywhere."[77]

21. As we have discussed in our prior quadrennial review orders, competition is a central policy goal of our quadrennial review.[78] We agree with NAB that the current media marketplace has evolved in ways that warrant broadening our examination of competition. Given that we are taking a fresh look at the broadcast ownership rules in this Report and Order, we exercise our discretion in interpreting competition and take this opportunity to revisit our view of competition and consider the effects of the proliferation of non-broadcast sources on the broadcast media.

22. *Localism and Viewpoint Diversity*. Although numerous comments address how specific ownership rules may advance or hinder localism and viewpoint diversity, no commenter addresses the way we assess these principles under our public interest analysis. In this Report and Order, we maintain our emphasis on localism in recognition of the critical role broadcasters play in informing the local communities they serve.[79] We also reaffirm the importance of viewpoint diversity, including the need for

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[73] *2018 Quadrennial Review Order*, 38 FCC Rcd 12791, para. 19 (citing *FCC v. Prometheus*, 592 U.S. at 418 (citing *FCC* v. *National Citizens Committee for Broadcasting*, 436 U.S. 775, 780-81& nn.1-3, 783-84 (1978)).

[74] NAB NPRM Comments at 22.

[75] NAB NPRM Comments at 25. In *Zimmer Radio*, the court held that "under the broad regulatory authority Congress has given it, the Commission may 'implement its view of the public interest standard of the Act 'so long as that view is based on consideration of permissible factors and is otherwise reasonable." *Zimmer Radio*, 145 F.4th at 844 (citing *FCC v. WNCN Listeners Guild*, 450 U.S. 582, 593 (1981)). The court further reasoned that the "FCC has similar discretion to interpret 'competition' so as best to serve the public interest." *Zimmer Radio*, 145 F.4th at 844-45.

[76] NAB NPRM Comments at 25 (asserting that the Eighth Circuit observed that "writing from a blank slate," the court could have viewed the marketplace differently from the Commission (citing *Zimmer Radio*, 145 F.4th at 850-51)). Nevertheless, the Court concluded that its proper role was to determine whether the Commission engaged in reasoned decision making and found that the Commission did so. *Zimmer Radio*, 145 F.4th at 851.

[77] NAB NPRM Comments at 22-27. For example, NAB states that the Commission has previously failed to take into consideration "competition from cable and satellite TV and satellite radio" and the "rapidly growing competition from Big Tech platforms and social media, like Google/YouTube, Meta, and Tik Tok, and streaming services including those offered by Spotify, Amazon, Netflix, and Apple, which now dominate the media landscape." *Id*. at 27.

[78] *2018 Quadrennial Review Order*, 38 FCC Rcd at 12792, para. 19 (noting that since Congress first ordered these periodic ownership rule reviews, the Commission has focused "on whether the public interest basis for the rule has changed as a result of competition (citing *1998 Biennial Review Report*, 15 FCC Rcd at 11063, para. 8)).

[79] *E.g.*, *2002 Biennial Review Order*, 18 FCC Rcd at 13643, para. 73 (emphasizing that "[l]ocalism is rooted in Congressional directives to this Commission and has been affirmed as a valid regulatory objective many times by the courts."). The *2002 Biennial Review Order* noted congressional directives. "In the legislative history of the 1996 Act, Congress strongly reaffirmed the importance of localism: 'Localism is an expensive value. We believe it is a

mass media to reflect a broad range of ideologies.[80] Accordingly, we will continue to apply both localism and viewpoint diversity, along with competition, as policy objectives for our public interest analysis.[81]

23. In conclusion, in this Report and Order, we reaffirm our framework for conducting the public interest analysis required by the statute, which applies a multi-factor review in which no single factor is controlling. As such, we will continue to apply the three traditional policy goals of competition, localism, and viewpoint diversity when reviewing our broadcast ownership rules. Although no one factor is controlling in our review here, in light of how the current media marketplace has evolved, we broaden our view of the marketplace herein to better account for the impact of non-broadcast sources on the ability of broadcast licensees to compete.

IV. MEDIA OWNERSHIP RULES

A. Local Radio Ownership Rule

1. Introduction

24. In this section, we modify the Local Radio Ownership Rule to give radio broadcasters greater flexibility to compete and serve their local communities. The existing rule establishes market-size tiers that limit the total number of stations a single entity may own in a local market, as well as separate subcaps limiting the number of AM and FM stations[82] that may be commonly owned. Today, we provide greater flexibility in two ways. First, we eliminate the AM and FM subcaps, allowing licensees to

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vitally important value, however [and] should be preserved and enhanced as we reform our laws for the next century.'" *Id*. at 13644, para. 75 n.115 (citing to H. Rep. No. 104-204 (1996) at 221). The *2002 Biennial Review Order* also emphasized that "[t]he courts too have long viewed localism as an important public interest objective of broadcast regulation: 'Local program service is a vital part of community life. A station should be ready, able, and willing to serve the needs of the local community.'" *2002 Biennial Review Order,* 18 FCC Rcd at 13644, para 76 (citing to *NBC v. United States*, 319 U.S. 190, 203 (1943)).

[80] *See, e.g.*, *2014 Quadrennial Regulatory Review – Review of the Commission's Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996*, Further Notice of Proposed Rulemaking and Report and Order, 29 FCC Rcd 4371, 4418, para. 114 (2014) (stating that "[t]he Supreme Court has recognized the importance of the Commission's role in promoting viewpoint diversity, calling it a 'basic tenet of national communications policy'" (citing to *Turner Broad. Sys., Inc. v. FCC*, 512 U.S. 622, 663-64 (1994)); *Associated Press v. United States*, 326 U.S. 1, 20 (1945) ("[t]he widest possible dissemination of information from diverse and antagonistic sources is essential to the welfare of the public.").

[81] Localism and viewpoint diversity considerations distinguish the Commission's review under the public interest standard from a pure antitrust analysis focused wholly on competition and prices. We agree with commenters that the Commission's review is not duplicative of the Department of Justice's (DOJ) or Federal Trade Commission's (FTC) inquiries for this reason. Free Press NPRM Comments at 10-11, 15; NAB NPRM Comments at 29-31 (internal citations omitted). *But see* ICLE NPRM Comments at 1 (arguing that the DOJ and FTC's case-by-case antitrust review is superior to the Commission's enumerated structural ownership limitations). Consistent with comments from Free Press and NAB, we do not agree that the FTC and DOJ's antitrust review process is "superior" to or duplicative of the Commission's review. *Id*. Rather, the Commission approaches broadcast ownership through a public interest standard that looks beyond pure competition issues and includes the factors of localism and viewpoint diversity. *See 2014 Quadrennial Regulatory Review – Review of the Commission's Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996 et al.*, Second Report and Order, 31 FCC Rcd 9864, 9870, 9875, paras. 16, 29 (2016) (stating the Commission's policy goals and noting the difference in our approach from DOJ's). By contrast, the FTC and DOJ focus on enforcing antitrust laws, analyzing whether a merger or conduct would substantially lessen competition or harm consumers through higher prices. *See* Free Press NPRM Comments at 10-11, 15; NAB NPRM Comments at 29-32. These frameworks operate under different statutory mandates. NAB NPRM Comments at 29-32. Their roles are complementary because antitrust agencies provide a competition-centric analysis that can be applied across many different industries, while the Commission applies an industry specific lens, and together they offer a more complete assessment of the impact of broadcast ownership. *See id.*

[82] *See* 47 CFR § 73.3555(a).

determine the mix of AM and FM stations best suited to serve a market, and subject to the overall ownership limits. Second, we retain the existing market-size ownership limits as baselines while establishing a mechanism through which additional common ownership may be permitted on a case-by-case basis.

2. Background

25. The existing Local Radio Ownership Rule allows an entity to own: (1) up to eight commercial radio stations in radio markets with at least 45 radio stations, no more than five of which may be in the same service (AM or FM); (2) up to seven commercial radio stations in radio markets with 30-44 radio stations, no more than four of which may be in the same service (AM or FM); (3) up to six commercial radio stations in radio markets with 15-29 radio stations, no more than four of which may be in the same service (AM or FM); and (4) up to five commercial radio stations in radio markets with 14 or fewer radio stations, no more than three of which may be in the same service (AM or FM), provided that the entity does not own more than 50% of a market's radio stations unless the combination comprises no more than one AM and one FM station.[83]

26. The limitation on the number of stations an entity may own in a single service, AM or FM, is typically referred to as a subcap. Only full-power commercial and noncommercial radio stations count toward these limits.[84] Radio markets are defined either: (a) by geographic location, for stations licensed to communities in a Nielsen Audio Metro,[85] or, (b) when licensed to a community that Nielson does not assign to a Metro, or in Puerto Rico, a station's market is determined using a contour-overlap methodology that draws market lines based on which stations have sufficiently strong overlapping signals.[86] In the 1996 Act, Congress directed the Commission to set specific numerical limits in its Local Radio Ownership Rule.[87] In addition, Congress instructed the Commission to review and, as needed, update such limits periodically.[88] In the last quadrennial review proceeding, the Commission majority found that the local radio ownership limits continued to promote competition and should be retained,[89] except for one modification that made permanent an interim contour overlap methodology used to determine a station's market when it lies outside the boundaries of defined Nielsen Audio Metros or in Puerto Rico.[90] The Eighth Circuit subsequently upheld that Commission decision.[91]

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[83] Overlap between two stations in different services is allowed if neither of those stations overlaps a third station in the same service. 47 CFR § 73.3555(a)(2).

[84] 47 CFR § 73.3555(a). Translator, booster, and LPFM stations do not count in determining the number of stations in a market, as the rule only takes account of full-power stations.

[85] Nielsen, formerly Arbitron, is the commonly recognized rating service for radio stations. A Nielsen Metro "includes a city (or cities) whose population is specified as that of the central city together with the county (or counties) in which it is located. The Metro also includes contiguous or additional counties when the economic and social relationships between the central and additional counties meet specific criteria. Nielsen Metros generally correspond to the Metropolitan Statistical Areas (MSAs) defined by the U.S. Government's Office of Management and Budget. They are subject to exceptions dictated by historical industry usage and other marketing considerations." Nielsen, *Terminology and Definitions for the Nielsen Radio Diary Service*, https://www.arbitron.com/downloads/terms_brochure.pdf (last visited Sept. 30, 2026).

[86] *2018 Quadrennial Review Order*, 38 FCC Rcd at 12815-16, paras. 58-59.

[87] 1996 Act § 202(b)(1). Initially, only commercial radio stations were counted when determining the total number of radio stations in a market for purposes of the 1996 limits, but the Commission subsequently included noncommercial radio stations in those totals. *See 2002 Biennial Review Order*, 18 FCC Rcd at 13734, para. 295.

[88] 1996 Act § 202(h).

[89] *2018 Quadrennial Review Order*, 38 FCC Rcd at 12791-92, 12797, paras. 19, 27.

[90] *Id.* at 12797, 12815-16, paras. 27, 58-59.

[91] *Zimmer Radio*, 145 F.4th at 851-53.

27. In the *2022 Quadrennial Review NPRM*, the Commission sought comment on whether the rule was still necessary to further the public interest.[92] The *2022 Quadrennial Review NPRM* inquired specifically about the rule's current role in the audio marketplace, its effect on stations' ability to compete for advertising and listenership with non-broadcast audio, and whether the current rule was limiting broadcast radio's ability to deliver public interest benefits to listeners.[93] The notice further asked how or whether loosening the rule might affect core public interest goals for radio regulation: competition, localism, and viewpoint diversity.[94] Additionally, the *2022 Quadrennial Review NPRM* sought comment on specific rule provisions, including whether to retain, modify, or eliminate the rule's market size tiers, market caps, and AM/FM subcaps.[95] Further, the *2022 Quadrennial Review NPRM* asked if there was a need to establish a case-by-case review procedure that would more efficiently allow cognizable owners to exceed a market's ownership limitations in certain circumstances[96] than would continuing reliance on rule waiver procedures.[97] Finally, the *2022 Quadrennial Review NPRM* invited input on whether we should continue to interpret the broadcast radio industry as operating within its own discrete radio-only market, or whether we should revise the market definition to include such non-broadcast audio sources as satellite radio, audio streaming services, webcasting, podcasting, and other programming platforms that may substitute for broadcast radio.[98]

3. Discussion

28. We find that the Local Radio Ownership Rule, as currently constituted, is no longer "necessary in the public interest as a result of competition"[99] and modify it in order to promote the longstanding public interest goals of competition, localism, and viewpoint diversity. The record makes clear that the rule has not kept pace with seismic changes in the audio marketplace over the past 30 years, such that the existing rule hinders the ability of broadcast radio to compete with other sources of audio content. Consumers now access audio content in myriad ways that simply did not exist when the rule was put in place in 1996. These include digital libraries, streaming services, and satellite radio, among others. We acknowledge that some commenters in this proceeding—as in every quadrennial review proceeding—point to substantial consolidation in the industry since 1996 and allege substantial public interest harms have accompanied it.[100] However, as others argue, these developments more likely reflect a radio

[92] *2022 Quadrennial Regulatory Review NPRM*, 40 FCC Rcd at 7976-77, para. 13.

[93] *Id.* at 7976-78, paras. 13-16.

[94] *Id.* at 7978-79, paras. 18-21.

[95] *Id.* at 7978, paras. 18-19.

[96] *Id.* at 7979, para. 20.

[97] 47 CFR § 1.3 allows waivers of Commission rules "for good cause shown, in whole or in part, at any time by the Commission, subject to the provisions of the Administrative Procedure Act and the provisions of this chapter." But an "applicant for waiver faces a high hurdle even at the starting gate," and on appeal, "the burden . . . is even heavier. It must show that the Commission's reasons for declining to grant the waiver were so insubstantial as to render that denial an abuse of discretion." *Turro v. FCC*, 859 F.2d 1498, 1499 (D.C. Cir. 1988) (citing *WAIT Radio v. FCC*, 418 F.2d 1153, 1157 (D.C. Cir. 1969)).

[98] *2022 Quadrennial Regulatory Review NPRM*, 40 FCC Rcd 7971, 7978, paras. 16-17.

[99] 1996 Act § 202(h).

[100] *See* musicFIRST Coalition and Future of Music Coalition NPRM Comments at 2 (musicFIRST and FMC) (arguing that localism was harmed as local music and musicians have been replaced on local stations by nationally programmed playlists and programs as a result of consolidation); *see also* National Association of Black Owned Broadcasters NPRM Comments at 12-15 (NABOB) (arguing how diversity was harmed as smaller minority-owned broadcasters were displaced from market by consolidated large-scale owners); Free Press NPRM Comments at 37-41 (arguing that racial, ethnic, and female diversity of station ownership has been undermined by consolidation); FDD NPRM Comments at 5 (stating that more distributed ownership, rather than concentrated ownership, can help ensure national security through redundancies otherwise eliminated by consolidation); Screen Actors Guild-

industry, constrained by broadcast-specific regulations and struggling to respond to the economic challenges and competitive pressures that broadcast radio stations now face from audio content providers operating free from the legally-mandated public interest obligations that only broadcasters bear.[101]

29. The Commission has found in prior quadrennial reviews that unique aspects of broadcast radio set it apart in some ways from non-broadcast competitors—it is free,[102] nearly ubiquitous,[103] and subject to public interest obligations, notably localism.[104] In this quadrennial review, we affirm the special place that broadcast radio holds. But we also acknowledge that dramatic shifts in both listenership and advertising revenue since our last quadrennial review, away from broadcast radio toward non-broadcast audio, now threaten the wherewithal of broadcast radio stations to meet their unique public interest obligations.

30. To maintain an economically viable radio industry able to meet licensees' public interest obligations, we modify the local radio ownership rule to better account for radio's place in the current audio content ecosystem. Specifically, we find that the public interest will best be served by modifying the Local Radio Ownership Rule, pursuant to section 202(h) of the 1996 Act to: (1) eliminate subcaps, (2) convert current inflexible market caps to presumptively acceptable baseline levels of cognizable ownership, and (3) provide a flexible case-by-case framework for parties to request approval to exceed

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American Federation of Television and Radio Artists NPRM Comments at 14 (SAG-AFTRA) (arguing that replacement of local jobs with consolidated production centers often distant from a station's community of license have resulted in reduction of localism); National Association of Broadcast Employees and Technicians, Communications Workers of America NPRM Reply at 6-8 (NABET-CWA) (echoing SAG-AFTRA's concerns about local hiring and harms to localism as a result of consolidation); David Klann NPRM Reply at 1 (drawing focus to how localism has suffered harms by distant programmers and how AI bots are capable of displacing local air talent familiar with a station's community); Redrock Media Public Notice Reply at 1 (maintaining that single owners have previously consolidated operations, resulting in a dramatic decrease in diverse voices within certain markets).

[101] *See* NAB NPRM Comments at 62-77 (describing the economies of scale that stations could unlock without the local ownership rules in place); *see also* Joint Radio Commenters NPRM Comments at 6 (articulating the need for greater scale in order to compete); Americom Limited Partnership and Reno Group, L.P., NPRM Comments at 4 (Americom) (calling on the Commission to remove regulatory constraints to let them compete with digital media sources); Beasley Media Group Licenses, LLC NPRM Comments at 1-2 (Beasley) (claiming that the local radio ownership rule is inhibiting radio broadcasters and preventing them from competing with Big Tech); Bee Broadcasting, Inc., NPRM Comments at 1 (Bee Broadcasting) (claiming that the local radio ownership rule weakens broadcasters' ability to remain viable); Cromwell Group, Inc. NPRM Comments at 3 (Cromwell) (linking the future viability of radio stations to removal of the ownership rule); Galaxy Media Partners, LLC (Galaxy Media) NPRM Reply at 2 (arguing that lifting the local radio ownership rule is crucial for helping radio stations compete and remain viable); L.M. Communications NPRM Reply at 5-7 (LMC), JVC NPRM Comments at 1-2, and O'Brien Betterment, LLC NPRM Comments at 1 (O'Brien) (arguing that radio can maintain viability to provide public interest benefits only if the competitive playing field is leveled so station owners can bulk up to meet the challenge from giant competitors, especially Big Tech); Rose Communications NPRM Comments at 1 (Rose) (highlighting that small local operators need more leeway to compete); Center for American Rights NPRM Comments at 10 (CAR) (national corporate station ownership is not incompatible with programming localism and viewpoint diversity); ICLE NPRM Comments at 1 (contending that economies of scale are required for radio industry viability and structural regulation is best left to purely economic antitrust review).

[102] *2018 Quadrennial Review Order*, 38 FCC Rcd at 12800-01, para. 35 (stating that "generally speaking, only terrestrial broadcast radio both is available without a paid subscription and does not require access to Internet service. Not only does this accessibility make broadcast radio uniquely and widely available, it also makes it a lifeline for many Americans, especially in times of local emergencies.")

[103] By comparing 2020 Census block data with the service contours of all operating AM and FM stations, the Commission's Licensing Management System (LMS) database calculates that broadcast radio, whether on AM or FM, currently provides usable service to 99.99% of the U.S. population.

[104] *2018 Quadrennial Review Order*, 38 FCC Rcd at 12801-02, para. 36 ("[B]roadcast radio is alone within the audio landscape in having an affirmative obligation to serve the needs and interest of the local community.")

such baselines in a particular market.[105] When a party files an application form[106] to modify, acquire, or build new stations that would exceed a market's baselines, it should fully explain, in an attachment, how the proposed combination would serve the public interest. To guide applicants, we provide a list of factors, below,[107] that are likely to be relevant to the Commission's evaluation of such case-by-case requests and encourage applicants to address applicable factors in their submissions for approval.

31. *Audio Marketplace Competition.* Radio faces increasing competition in a broader audio content universe as radio receivers, especially in cars, are displaced by Internet-connected systems[108] that provide access to streamed content as easily as someone can tune to a radio station. As described below, listeners and advertisers are increasingly migrating to non-broadcast audio content. The documented decline in the advertising revenue, which supports stations' ability to meet their unique public interest obligations, leads us to conclude the Local Radio Ownership Rule, as currently constituted, no longer serves the public interest.

32. Whereas the Commission has previously treated broadcast radio as a discrete market for quadrennial review purposes,[109] we sought comment in this proceeding on whether we should analyze

[105] The revised Local Radio Ownership Rule, as included in the Final Rules Appendix, would provide as follows:

> (1) Local radio ownership rule. A person or single entity (or entities under common control) may have a cognizable interest in licenses for AM or FM radio broadcast stations in accordance with the following:
> (i) In a radio market with 45 or more full-power, commercial and noncommercial radio stations, up to 8 commercial radio stations;
> (ii) In a radio market with between 30 and 44 (inclusive) full-power, commercial and noncommercial radio stations, up to 7 commercial radio stations;
> (iii) In a radio market with between 15 and 29 (inclusive) full-power, commercial and noncommercial radio stations, up to 6 commercial radio stations; and
> (iv) In a radio market with 14 or fewer full-power, commercial and noncommercial radio stations, up to 5 commercial radio stations; provided, however, that no person or single entity (or entities under common control) may have a cognizable interest in more than 50% of the full-power, commercial and noncommercial radio stations in such market, except that a person or single entity (or entities under common control) may own at least 2 commercial radio stations in any radio market.
> (2) An entity may be permitted to directly or indirectly own, operate, or control more than the number of radio stations permitted by paragraph (a)(1) of this section where, upon application the Commission makes a finding that multiple ownership beyond that already permitted by paragraph (a)(1) of this section would serve the public interest, convenience, and necessity. The Commission will consider showings that multiple ownership beyond that already permitted by paragraph (a)(1) of this section serves the public interest, convenience, and necessity due to specific circumstances in a local market or with respect to a specific transaction on a case-by-case basis.

[106] Currently known as Form 2100, such forms are filed through the Commission's electronic Licensing Management System (LMS). However, should the Commission change electronic filing systems or re-designate it e-filing forms, this procedure shall equally apply to any successor forms or systems.

[107] *See infra* paras. 61-63.

[108] NAB cites to a survey finding that "[h]alf of those radio listeners who reported that they listened less to AM/FM year-over-year gave 'listening more to non-radio sources' as their 'main' reason for doing so." NAB NPRM Comments at 52, n.152 (citing Jacobs Media*, techsurvey 2025: 10 Key Takeaways* (Apr. 2025) (online survey with nearly 25,000 listeners to 500 commercial radio stations completing responses), available at https://jacobsmedia.com/wp-content/uploads/2025/04/TS-2025-industry-web-deck.pdf).

[109] *2018 Quadrennial Review Order*, 38 FCC Rcd at 12799-12804, paras. 33-40. Specifically, the Commission defined the relevant market as the "radio listening market" and declined to include in that market "satellite or non-broadcast audio sources, such as Internet streaming services." *Id.* at 12799, para. 33. The U.S. Court of Appeals for the Eighth Circuit found that the Commission engaged in reasoned decision making and upheld the Commission's approach to market definition in the *2018 Quadrennial Review Order*. *Zimmer Radio*, 145 F.4th at 843-51.

competition in the context of a more expansive audio content ecosystem.[110] This wider audio content marketplace today includes such non-broadcast audio sources as Internet streaming, webcasting, podcasting, or other programming platforms, which the record reflects listeners increasingly use instead of broadcast radio.[111] While alternatives to broadcast radios, and car radios in particular, were first available six decades ago with the advent of 8-track tapes,[112] they have evolved technologically over the years to include such things as CDs, satellite radio, and, increasingly, Internet-delivered content. In the *2022 Quadrennial Review NPRM*, we asked (a) if non-broadcast competition has intensified so much that current ownership caps limit the ability or potential of broadcast radio to deliver public interest benefits to listeners and (b) if so, would a less rigid rule structure still serve the public interest in competition, localism, and viewpoint diversity.[113] We conclude that the answer to both questions is yes.[114]

33. As one commenter puts it, the business reality for licensees "has shifted . . . to an 'attention economy'"[115] for audio content, which can be described as allowing theoretically limitless personal listening choices, instead of the "limited number of content sources"[116] available when the rule was established. As a result, advertisers increasingly seek more curated micro-targeting opportunities as people are now able to pursue their niche interests.[117] Traditional mass media radio commercials do not offer an equivalent.[118] This tech-driven shift first ate away at radio's home and workplace audiences as people listened more on computers, smart phones, and other Internet-connected devices, so much so that more than half of all radio listening last year took place in cars[119]—rather than elsewhere, as was true a decade earlier.[120] However, this automotive revenue for the radio industry appears increasingly tenuous

[110] *2022 Quadrennial Review NPRM*, 40 FCC Rcd at 7977, para. 14.

[111] While the fact that millions of Americans do not have Internet access was cited as support for the Commission's previous decision to retain the rule, we find now that, given the increasing challenges that radio stations face, the changes we adopt today, which are intended to support the economic viability of broadcast radio, will be especially important for those Americans who lack access to non-broadcast alternatives. *See Zimmer Radio*, 145 F.4th at 850.

[112] Anthony J. Despagni, *Some Help From Debussy For the Hassled Driver* (Jan. 25, 1976) https://www.nytimes.com/1976/01/25/archives/some-help-from-debussy-for-the-hassled-driver.html (noting the large scale availability of alternatives to car radio began when "Ford Motor Company introduced the eight-track system in its 1966 models").

[113] *2022 Quadrennial Review NPRM*, 40 FCC Rcd at 7976-78, paras. 13-17.

[114] *See, e.g.*, NAB Public Notice Comments at 25 (arguing that the Commission should "cease disadvantaging broadcasters through an outdated regulatory regime applicable only to them"); Joint Radio Commenters NPRM Comments at 36-37 (asserting that "music and other audio entertainment services launched by companies like Apple, Amazon, and Google – each of which have market capitalizations hundreds of times larger than the capitalization of the entire radio industry – were experiencing significant growth in audience, in part because these companies were well-positioned to offer audio services as loss leaders to promote other products and services").

[115] Common Frequency, Inc. NPRM Reply at 3 (Common Frequency).

[116] *Id.*

[117] "[O]ne of radio's current shortcomings is its 'inability to effectively deliver cohesive campaigns for an advertiser trying to reach a curated audience.'" Joint Radio Commenters NPRM Comments at 19 (citing Declaration of Katie Philippi, Marketing Manager for Connoisseur Media's Lincoln, Nebraska market).

[118] *Id.*

[119] According to Edison Research, Share of Ear Reports for Q4 2015-2025, "53% of listening to over-the-air AM/FM radio took place in vehicles in 2025, up 25% from its 42% 10 years ago." *See In-Car's Share of AM/FM Listening Hit New High in 2025* (Mar. 10, 2026), https://www.insideradio.com/free/edison-in-car-s-share-of-am-fm-listening-hit-new-high-in-2025/article_a4267874-8e92-4aac-b36b-447ab0943c0d.html (citing Edison Research, *Share of Ear Reports for Q4 2015-2025*).

[120] Pierre Bouvard, *Edison's Q4 2025 "Share of Ear": In-Car Listening Grows In Importance For AM/FM Radio As It Dominates The Path To Purchase* (Mar. 9, 2026), https://www.westwoodone.com/blog/

as car makers transition to in-dash systems that offer both streamed Internet content and broadcast radio reception via a single unit. Looking ahead, NAB cites McKinsey & Co. forecasts that 90 percent of cars will have built-in streaming connectivity by 2030.[121]

34. The expected growth in listening alternatives in cars, underscored by general audio consumption trends, creates a growing challenge to radio licensees' continued wherewithal to meet their broadcast public interest obligations and provide for community-focused programming and public service. The Joint Radio Commenters, citing to Edison Research's study, *Americans' Average Share of Time Listening to Audio Sources, 2014-2025* (Edison Listener Study), notes that "among all Americans ages 13 and older, the average share of time listening to broadcast radio has significantly decreased, while the average share of time listening to digital streaming has increased."[122] Edison Listener Study statistics[123] indicate that, while radio's share of listener attention is smallest among the youngest demographic, ages 13-24,[124] the share of time spent listening to AM or FM radio across all demographic groups, ages 13 and up, has declined by roughly half since 2014.[125] Moreover, "44.7% of Americans ages 13 or older reported that they did not listen to broadcast radio at all in 2025."[126] NAB states that, "consumers are increasingly substituting non-broadcast audio sources in place of much of their listening to terrestrial radio stations,"[127] based on studies cited in its comments.[128]

35. Many licensee commenters describe how these developments affect their operations. "Digital platforms sell vast amounts of advertising to local businesses,"[129] comments Beasley Group Licenses, LLC (Beasley), "and compete with radio for local and national advertising sales."[130] "Local advertising is not a side business for Big Tech – it is a growth engine,"[131] submits Galaxy Media Partners, LLC (Galaxy Media), the licensee of a dozen local radio stations in Upstate New York. Galaxy Media reports it lost $100,000 in station spot sales after a national cell phone provider "shifted this entire budget

2026/03/09/edisons-q4-2025-share-of-ear-in-car-listening-grows-in-importance-for-am-fm-radio-as-it-dominates-the-path-to-purchase/.

[121] NAB NPRM Comments at 53 (citing Gracenote/Nielsen, *In the driver's seat: How infotainment systems can level up the in-car entertainment experience* (Oct. 2025)).

[122] Joint Radio Commenters NPRM Comments at 29.

[123] *Id.*; *see also id.* at Exh. D, Declaration of Larry Rosin and Edison Research, *Americans' Average Share of Time Listening to Audio Sources, 2014 to 2025* (Edison Study).

[124] According to the Edison Study, 13-24 year olds tuned into broadcast radio signals for just 14.2% of their audio listening time in 2025. Joint Radio Commenters NPRM Comments at 29.

[125] *Id.*

[126] *Id.* at 31 (citing Edison Study at 7).

[127] NAB NPRM Comments at 51.

[128] *See, e.g.*, NAB NPRM Comments at 52, n.152 (citing Jacobs Media, *techsurvey 2025*: *10 Key Takeaways* (Apr. 2025), which report survey data from nearly 25,000 listeners of 500 commercial radio stations); *id.* at 52, n.155 (citing *Edison Q3 2025 Share of Ear*)); *id.* at 52, n.156 (citing *Infinite Dial 2025*, which surveyed U.S. car listeners 18 years of age or older).

[129] Beasley NPRM Comments, Attach. at 7 (incorporating prior filing in MB Docket No. 22-459, *Delete, Delete, Delete*).

[130] *Id.* Beasley further submitted examples of advertiser migration away from radio at its more than four dozen stations, including: "two major fast food chains have cut virtually all radio advertising and moved their entire budgets to digital"; in New England, a "large Toyota dealer moved 75% of its spend from radio to digital"; while, in Florida, "[s]everal large legal firms have moved branding dollars that went to radio to a direct spend with Google." *Id.* Attach. at 8-9.

[131] Galaxy Media NPRM Reply at 4.

to Galaxy's digital competitors."[132] JVC comments that these trends occur as radio broadcasters face "[r]ising operating costs–engineering, compliance, staff, music licensing, emergency infrastructure, and digital distribution—[that] make it increasingly difficult for small and mid-size broadcasters to compete with national, unregulated platforms."[133] Americom Limited Partnership and Reno Media Group, L.P. (Americom), which operate radio stations in the Reno, Nevada market, point to recent trade press items to posit that these trends have led to: "[s]hrinkage of the total number of commercial radio stations in the U.S.,"[134] with "[s]harply reduced [r]adio advertising billings amid the rapid rise in digital streaming's popularity"[135] and "[a] correlative sharp reduction in station transactions and valuations."[136] Without regulatory changes, CMG foresees "the continued decline and decay of the radio industry."[137] Data from S&P Global show that ad revenue for radio stations never recovered after the 2008 financial crisis or the COVID-19 pandemic. Total ad revenue for broadcast radio stations declined from over $21 billion in 2007 to $14.4 billion in 2025.[138]

36. As noted, broadcast radio now competes for listeners and advertisers with outlets unconstrained by legally mandated public interest obligations, including requirements to serve community interests.[139] The Cromwell Group, which owns radio stations in the Nashville market and several smaller areas, posits that "[t]he national streaming services and Big Tech are not concerned with localism, local events, and local public service programming."[140] Indeed, we observe that the challenges can be more profound for small station owners, which tend to be predominately local companies operating in only one or a few markets.[141] Bee Broadcasting, Inc. (Bee Broadcasting), which operates five radio stations in Montana, warns that digital competitors' ability to operate without equivalent ownership limitations creates "structural disadvantages that hinder . . . long-term sustainability,"[142] such that "communities will

[132] *Id.* at 4-5.

[133] JVC NPRM Comments at 1.

[134] Americom NPRM Comments at 3 (citing, at 3 n.7, Tim Hanlon, *The Coming Signal Culling: Is Broadcast TV Next After Radio's 2025 Decline?* (Oct. 9, 2025), https://www.tvrev.com/news/coming-signal-cull-broadcast-tv-next-radio-decline ("This 'radio culling' is a reminder that even the most entrenched parts of America's media ecosystem are vulnerable to technological and regulatory tides.")).

[135] *Id.* (citing, at 3 n.5, Cameron Coats, *FCC Captures Radio's Struggle Against Digital In Biennial Report* (Jan. 3, 2025), https://radioink.com/2025/01/03/fcc-captures-radios-struggle-against-digital-in-biennial-report/).

[136] *Id.* (citing, at 3 n.6, Justin Nielson, *Broadcast Outlook 2025: Challenges, Opportunities Facing US TV, Radio Stations* (Oct. 7, 2025), https://www.spglobal.com/market-intelligence/en/news-insights/research/2025/10/broadcast-outlook-2025-challenges-opportunities-facing-us-tv-radio-stations).

[137] Cox Media Group NPRM Reply at 7 (CMG).

[138] S&P Global, *US TV and Radio Ad Projections*, 1970-2035 (2025) (last accessed Aug. 27, 2026). For radio ad revenues from 2005 to 2023, see *Communications Marketplace Report*, GN Docket No. 24-119, 2024 Communications Marketplace Report, 39 FCC Rcd 14116, 14298, para. 288-89 (2024) (*2024 Communications Marketplace Report*).

[139] This community-focused expectation is reflected in 47 CFR § 73.3526(e)(12), which requires stations to place in their online public inspection files a quarterly list "of programs that have provided the station's most significant treatment of community issues during the preceding three-month period." 47 CFR § 73.3526(e)(12). Each quarterly list "shall be retained in the public inspection file until final action has been taken on the station's next license renewal application," as a means to make licensees accountable at renewal time if they have not met their public interest obligations. *Id.*

[140] Cromwell NPRM Comments at 2.

[141] *See, e.g.*, Seven Bridges Radio, LLC NPRM Comments at 1-2 (Seven Bridges) (advocating for the local radio ownership subcaps to be lifted, despite only owning an AM/FM pair of stations in Jacksonville Beach, Florida).

[142] Bee Broadcasting NPRM Comments at 1.

lose an irreplaceable source of connection and public service."[143] The Cromwell Group points out that existing competition has made "survival a challenge when there are multiple licensees in a smaller market."[144]

37. By contrast, the musicFIRST Coalition and Future of Music Coalition, while acknowledging the tenuous economic situation that small station owners face, argue that larger radio clusters that would be created through further consolidation would harm remaining independent stations and limit their ability to compete with other in-market stations.[145] These coalitions, who represent music creators, focus primarily on harms they claim would ensue by allowing owners to control more stations in a market cluster on the more music-friendly FM band.[146] In retaining the Local Radio Ownership Rule during the last quadrennial review, the Commission agreed with a number of smaller broadcasters that endorsed this view.[147] Although in the past various small radio companies expressed concern about how they would compete with larger owners if the Commission were to relax the ownership limits, notably, in the record of the current quadrennial review, radio licensee commenters—large and small alike—overwhelmingly describe the growing challenges that threaten their viability and advocate for relief from the current rule.[148]

38. In some markets, small station owners who are struggling financially could benefit from the additional flexibility we provide today through transaction opportunities that serve the public interest.[149] Insofar as our goal is to ensure broadcast radio has the wherewithal to serve the public interest, which includes localism, we believe the new market ownership flexibility we initiate here will create incentives for licensees to expand local content in order to attract additional audiences that advertisers desire.

39. Some opponents of local ownership rule changes argue that media consolidation is itself to blame for radio's decline, and additional opportunities to consolidate would likely lead to further decline.[150] Those opponents request that we either preserve the radio ownership restrictions or tighten them further, without explaining how such an approach would fix problems arising from dramatic increases in non-radio audio competition for listeners and advertisers shifting their ad buys in response to listener trends. To the extent these commenters believe more ownership flexibility will lead to less

[143] *Id.*

[144] Cromwell NPRM Comments at 2.

[145] *See* musicFIRST and FMC NPRM Comments at 4; musicFIRST and FMC Public Notice Comments at 30-31.

[146] musicFIRST and FMC NPRM Comments at 1-2 (taking "no position with respect to whether the Commission should relax current limits on . . . AM. . . ").

[147] *2018 Quadrennial Review Order*, 38 FCC Rcd at 12812-13, para. 53 (concluding that "we agree with those commenters that assert that loosening the current rule would result in the disappearance of smaller stations from the market entirely, either because they would be more vulnerable to acquisition or because they would be unable to compete with the larger station groups that would expand their dominance if further consolidation was permitted").

[148] *See, e.g.,* NAB NPRM Comments at 44-46; Beasley NPRM Comments at 1-2; Joint Radio Commenters NPRM Comments at 54-64; Americom NPRM Comments at 5-6; Bee Broadcasting NPRM Comments at 1; Cromwell NPRM Comments at 3; JVC NPRM Comments at 2; Mobile Radio Partners NPRM Comments at 1 (MRP); Galaxy Media NPRM Reply at 5-8. *But see* Redrock Media Public Notice Reply at 1 (loosening ownership restrictions will "undermine the development of new ideas, endanger free speech and stifle investment in new stations"); musicFIRST and FMC Public Notice Comments at 30-31 (citing comments from small radio companies in the previous quadrennial review proceeding).

[149] Joint Radio Commenters NPRM Comments at 61-62.

[150] *See, e.g.*, Common Frequency NPRM Reply at 14-15 (positing that an "effect of lifting ownership caps [previously] was that a handful of radio broadcast entities . . . found themselves overextended, in debt, and eventually succumbed to bankruptcy . . . sold local studios, fired local employees, and jettisoned . . . local content within their debt restructuring").

quality, or greater homogenization, of programming which will further turn off listeners, such claims rely on the assumption that station owners would take action to push listeners away rather than provide the kind of programming that delivers audiences advertisers want. Instead, we agree with commenters who say it is more likely that station owners would have incentives to diversify their programming and to pursue more community-driven programming that non-broadcast audio competitors have not traditionally offered, as it would be in their business interests to do so, provided they could scale up sufficiently to meet unprecedented marketplace challenges from a stronger competitive position.[151]

40. Ultimately, we find that the time has come to give local radio stations the flexibility they need to better compete for survival, as an audio content universe lacking a sufficient number of viable broadcast radio stations does not serve the public interest.

41. *Public Interest Considerations.* Advocates both for[152] and against[153] changing the Local Radio Ownership Rule acknowledge the importance of legally-mandated public interest objectives unique to the regulation of broadcast radio: competition, localism, and viewpoint diversity. Our regulatory analysis remains cognizant of these objectives as we conduct our required review to determine whether the Local Radio Ownership Rule remains "necessary in the public interest as the result of competition."[154]

42. As several commenters point out, longstanding statutes and policies have sought to counter the risks to the public interest from unbridled consolidation. Free Press, which advocates for maintaining the Local Radio Ownership Rule as is, observes that the Act's "Section 309 directs the Commission to avoid 'excessive concentration of licenses' by 'disseminating licenses among a wide variety of applicants, including small businesses, rural telephone companies, and businesses owned by members of minority groups and women.'"[155] The Act's "[s]ection 257(b) directs the Commission to 'promote the policies and purposes of this Act favoring diversity of media voices. . . ,'" Free Press further argues.[156] The National Association of Black Owned Broadcasters (NABOB) contends that prior deregulation means the Local Radio Ownership Rule remains the only backstop to further consolidation,[157] and that "further relaxation of the Commission's remaining ownership rules will further

[151] *See, e.g.,* Beasley NPRM Comments at 10 ("Format diversity will increase because combing operations will encourage owners to eliminate format duplication. . . .); Joint Radio Commenters Reply at 30 ("In a market without rival ownership groups, a local owner is not incentivized to compete with itself in these bigger formats, but to instead provide a greater diversity of music and other programming to reach a greater share of the local audience").

[152] *See, e.g.*, CMG NPRM Reply at 10 ("[I]f the Commission wants to preserve the localism, diversity and competition afforded by local broadcasters, it should reform the local media ownership rules"); Joint Radio Commenters NPRM Comments at 5 ("This proceeding presents the Commission with the opportunity to enhance broadcast localism and diversity . . . ."); NAB NPRM Comments at 31 ("[T]he FCC's quadrennial reviews traditionally focus on three objectives – promoting competition, localism, and viewpoint diversity. . . ." (internal citation omitted)).

[153] *See, e.g.*, Free Press NPRM Comments at 9 (the law requires "the FCC to pursue the goals of competition in broadcasting . . . and to promote localism, diversity of opinion, and diversity of ownership . . . ."); APA et al. NPRM Comments at 15 ("'Localism, along with competition and diversity, is a longstanding core Commission broadcast policy objective, which together forms the cornerstone of broadcasting.'" (citing *FCC v. Prometheus*, 592 U.S. at 418.)); musicFIRST and FMC NPRM Reply at 1 ("The public interest in viewpoint diversity, competition and localism requires that the Commission retain current enumerated limits on the number of commercial FM radio stations that one entity can own in a given geographic market.").

[154] 1996 Act, § 202(h); Appropriations Act, § 629.

[155] Free Press NPRM Comments at 38 (citing 47 U.S.C. § 309(j)(3)(B)).

[156] *Id.* at 38 n.104 (citing *1998 Biennial Regulatory Review – Streamlining of Mass Media Applications Rules, and Processes – Policies and Rules Regarding Minority and Female Ownership of Mass Media Facilities*, Report and Order, 13 FCC Rcd 23056, 23099 (1998)).

[157] NABOB NPRM Comments at 15-16.

the ongoing decline in minority broadcast ownership."[158] Consistent with the mandate from Congress in section 202(h), the approach we take today balances these risks against the need for our rule to reflect the current state of competition.

43. Some commenters say the history of broadcast consolidation since 1996 shows, on its face, that further consolidation will harm localism.[159] Other commenters opine that a purported lack of local involvement at radio stations and an abundance of centralized, or syndicated, programming should be directly factored into our evaluation of the Local Radio Ownership Rule.[160]

44. Although some commenters argue that consolidation invariably harms localism, other commenters point out that, in some instances, a local buyer may be willing to acquire a station that is currently running non-local content with no local talent involved (i.e., a so-called "zombie" station) and invest in local staffing and programming for the station.[161] Despite the possibility that such a transaction would serve localism, these transactions can be precluded by overly restrictive limits on radio ownership in the market, which counterproductively diminish localism by barring a purchaser with a commitment to localism from expanding in the market and thereby keeping a less desirable status quo in place.[162]

45. National Religious Broadcasters (NRB) suggests that: (a) "consolidation at both the national and local levels would disproportionately harm independent, mission-driven broadcasters, who lack the scale, capital, and national infrastructure of large broadcast groups"[163] and, (b) "increased consolidation would reduce educational and public-interest programming, which depends on local commitment and community service, not commercial scale or national efficiencies."[164] NRB argues that the business of AM and FM are not identical and that AM faces existential issues and needs "stability, preservation and long-term revitalization,"[165] which would be promoted by eliminating the AM subcaps. In contrast, NRB contends that "further consolidation of FM ownership would likely reduce opportunities for independent ownership, narrow editorial diversity, and weaken the connection between licensees and the communities they are licensed to serve. . . . run[ning] counter to the objectives of the Communications Act and the Commission's longstanding commitment to preserving a locally responsive broadcast system."[166]

46. As described in the record of this proceeding, developments in the competitive landscape have turned radio's former position as the biggest audio game in town into a difficult fight for audience attention in the face of increasing and seemingly inexhaustible alternative and individualized listening opportunities from non-broadcast sources operating without the burden of public interest obligations. In response to this structural change in the business of broadcasting, commenters propose a wide variety of

[158] *Id.* at 16.

[159] Common Frequency NPRM Reply at 18 & n.31 (citing "*State of Local News Project*" 2023 Report, available at: https://www.medill.northwestern.edu/news/2023/more-than-half-of-us-counties-have-no-access-or-very-limited-access-to-local-news.html); *see also* David Klann NPRM Comments at 1; musicFIRST and FMC NPRM Comments at 2 (raising concerns about music programming that does not reflect local communities).

[160] *See* musicFIRST and FMC NPRM Comments at 12-14 (highlighting the growth of stations being run and managed by non-local personnel and some of the common deficiencies that arrive with that phenomenon); *see also* SAG-AFTRA NPRM Comments at 12-13 (raising concerns about how radio conglomerates "often centralize work and content production operations that were once the responsibility of local stations").

[161] Joint Radio Commenters NPRM Comments at 61-62.

[162] *Id*.

[163] National Religious Broadcasters NPRM Reply at 1 (NRB).

[164] *Id.*

[165] *Id.* at 2.

[166] *Id.* at 3.

solutions ranging from rule tweaks to outright elimination of ownership restrictions. For example, at least four commenters propose that we completely excise AM ownership limits from our rule.[167] At least three commenters seek tailored modifications to our current FM restrictions, such as loosening restrictions in smaller markets.[168] Seven Bridges recommends that we treat all radio stations in a specified market interchangeably by eliminating AM/FM subcaps to allow licensees to determine the best mix of stations to serve their communities.[169] Other commenters offer alternatives to the current market station count framework in the Local Radio Ownership Rule insofar as it leaves little room for deviation.[170] The rule changes we introduce take account of these diverse proposals, responding to their calls for greater flexibility and relief, and balancing those aims with the countervailing considerations of regulatory certainty, administrative efficiency, and our public interest objectives.[171]

47. As discussed above, the business case for broadcast radio appears increasingly tenuous given the multiplicity of more personalized audience choices and advertisement delivery in today's attention economy for audio content. At the same time, radio is unique insofar as it uses publicly-owned spectrum to distribute content, and as a result, licenses to use such public property are contingent on serving statutory public interest obligations.

48. For this reason, we do not focus solely on competitive economics as an antitrust regulator would and as many broadcast industry commenters assert was Congress's intent when enacting section

[167] These commenters include: iHeart Communications, MRP, NRB, and Salem Media Group. *See* iHeart Communications, Inc. Public Notice Comments at 1-2 (iHeart) (proposing to eliminate restrictions on AM ownership given its greater marketplace frailty and lower entry costs so it can continue to support diversity, but maintain restrictions on FM ownership to prevent over-consolidation); *see also* MRP NPRM Comments at 1 (proposing to fully eliminate the AM ownership caps); NRB NPRM Reply at 2 (proposing to fully eliminate the AM ownership caps, but to preserve the FM ownership caps); Salem Media Group NPRM Reply at 2-3 (Salem) (explaining its proposal to fully eliminate the AM ownership caps).

[168] *See* CMG NPRM Reply at 6-7 (proposing also in Nielsen Audio markets 1-75 that the Commission modify the ownership rules to permit a single entity to own or control up to eight commercial FM stations, as well as to eliminate all restrictions on FM ownership in Nielsen Audio markets 76 and lower and in unrated areas); Salem NPRM Reply at 3-4 (proposing as the only limitation on FM a limit up to eight FM stations per owner only in Nielsen Audio markets 1-75); Daniel Miller NPRM Comments at 1 (proposing a tiered market cap system that, for example, would in ranked markets 1-60 limit a single owner to one-third of all FM radio stations commonly attributed in the market); *see also* Joint Radio Commenters NPRM Comments at 65 (providing its version of relaxed market tiers and subcaps as a fallback option to its preference for full wholesale elimination of limits).

[169] Seven Bridges NPRM Comments at 2. The Cromwell Group, which advocates for eliminating the entirety of the Local Radio Ownership Rule, recommends removing, at the very least, the AM and FM subcaps. Cromwell NPRM Comments, Attach. at 2-5.

[170] *See* Common Frequency NPRM Reply at 19-20 (proposing a framework that would allow licensees to pay fees in exchange for the right to exceed ownership limits, with proceeds directed to underwriting locally-focused non-profit endeavors to support localism, diversity, and competition in the broader media marketplace); *see also* Daniel Roberts NPRM Comments at 1-2 (advocating for the same public-interest broadcast fund as Common Frequency); APA et al. NPRM Comments at 28 (imploring the Commission to lead studies to assemble qualitative and quantitative data to determine more definitively the right approach to ownership regulation); Media Action Center NPRM Comments at 6 (MAC) (petitioning the Commission to spearhead and participate in studies to empirically identify the soundest approach for ownership regulation before modifying the rules).

[171] We note that one proposal, advanced by Common Frequency and Daniel Roberts would fund community-focused media with fees paid by licensees to exceed the Local Radio Ownership Rule restrictions. Common Frequency NPRM Reply at 19-20; Daniel Roberts NPRM Comments at 1-2. The commenters, however, do not identify valid statutory authority for their proposal.

202(h).[172] Instead, our public interest analysis incorporates the public interest objectives of localism and viewpoint diversity as well as competition.[173] As radio alone has an obligation to serve the public interest by virtue of its distribution of audio content via publicly-owned airwaves, we acknowledge that to ensure that the public interest is served, the radio industry must be viable. This is the basis for our public interest analysis.

49. Ultimately, silent stations or surrendered licenses do not serve the public interest. In our effort to keep the radio industry viable and vigorous, we are re-shaping specific Local Radio Ownership Rule provisions and policies as follows so the broadcast radio industry can continue to meet statutory public interest goals in the face of current economic challenges from ongoing evolution in audio content distribution and consumption. In so doing, we reach no conclusion regarding whether any specific transaction would or would not serve the public interest. Rather, the changes we make today open the door for the Commission to review additional combinations of radio stations on their merits and to decide whether such combinations serve the public interest.[174]

50. *Local Radio Ownership Limits.* We modify the current Local Radio Ownership Rule in two respects. First, we maintain the existing tiers as a baseline allowable level of ownership, but eliminate the subcaps that, up to now, have required licensees seeking to scale up their market presence to own a mix of AM and FM stations rather than flexibly choose how their market holdings are distributed among the two radio bands. Second, we establish a case-by-case framework as part of the Commission's application process for more efficient public interest review of proposals to own more market stations than presumptively permitted by the rule's baseline levels.

51. Our decision departs from the majority's conclusion in the 2018 Quadrennial Review to maintain the Local Radio Ownership Rule. In 2018, data showed radio dominant among advertising-supported audio sources, capturing 76% of ad-supported listening.[175] But, the equivalent study in 2025 found radio was capturing only 62% of ad-supported listening[176] While competition for music listeners was significant to the then-majority's decision in the *2018 Quadrennial Review Order*,[177] current data indicates audiences for talk, information, and current affairs programming--a mainstay of broadcast radio--are now also migrating to alternative content sources, not just among youthful listeners, but across all

[172] "[C]ompetition is the only public interest factor Congress specifically identified in Section 202(h)." NAB NPRM Comments at 20. "Case-by-case antitrust review is superior to the FCC's prophylactic structural prohibitions. . . ." ICLE NPRM Comments at 1.

[173] *FCC v. Prometheus*, 592 U.S. at 419, 432 (upholding the Commission's Section 202(h) analysis through "traditional public interest goals of promoting competition, localism, and viewpoint diversity. . . .") (Thomas, J., concurring).

[174] *See, e.g.,* 47 U.S.C. § 309(a) ("whether the public interest, convenience, and necessity will be served by the granting of such application, and, if the Commission, upon examination of such application and upon consideration of such other matters as the Commission may officially notice, shall find that public interest, convenience, and necessity would be served by the granting thereof, it shall grant such application.").

[175] *2018 Quadrennial Review Order*, 38 FCC Rcd at 12800, para. 34 n.106 (citing *Edison Research's "Share of Ear" Q4 2021*).

[176] *See* Nielsen, *The Record: Q1 U.S. audio listening trends* (June 2026), https://www.nielsen.com/insights/2026/the-record-q1-us-audio-listening-trends/. For example: in "2015, AM/FM radio accounted for 75% of the time Americans spent with spoken-word audio sources. AM/FM radio was not only the most dominant spoken-word audio listening platform, but it was fully sixty-five percentage points higher than podcasts, which accounted for 10% of listening time back then. Quarter by quarter and year over year, time spent using AM/FM radio to listen to spoken-word audio has declined significantly and shifted to time spent with podcasts. As of Q4 2025, 40% of time spent listening to spoken-word is now spent with podcasts and 39% of time is spent with AM/FM radio." Edison Research at SSRS Weekly Insights, *Podcasts Lead AM/FM in Spoken-Word Listening, Marking a First* (Feb. 24, 2026), (https://www.edisonresearch.com/podcasts-lead-am-fm-in-spoken-word-listening-marking-a-first/).

[177] *2018 Quadrennial Review Order*, 38 FCC Rcd at 12800, para. 35.

demographics.[178] This audience change comes as previously noted "44.7% of Americans ages 13 or older reported that they did not listen to broadcast radio at all in 2025."[179] By comparison, in 2015, Nielsen reported "91% of Americans (age 12 or older)" tuned into radio each week.[180]

52. Such trends lead us to course-correct to maintain a vigorous radio industry in support of our public policy goals per our section 202(h) mandate. In so doing, we do not seek to aid individual broadcasters *per se* but rather extend effective relief to the industry broadly in order to promote the ability of broadcast radio stations to compete in the current marketplace. We find that the changes we adopt today are critical to protecting the public interest in competition, localism, and viewpoint diversity, as well as meeting the statutory goal of distributing the public interest benefits, which only radio provides, as widely as possible.[181] Economically struggling stations are less likely to meet these goals. Silent stations or former stations whose owners have surrendered their licenses do not do so at all. Indeed, the Commission's annual count of commercial radio stations has shown a steady decline over the past ten years—with the biggest proportional decline on the AM band. The number of AM stations decreased from 4,680 in 2016 to 4,310 in 2026, a 10-year decline of 8%. The number of commercial FM stations decreased from 6,715 in 2016 to 6,574 in 2026, a 10-year decline of 2%. [182]

53. Under the new baselines (that replace the rule's previous inflexible market caps), a party in the largest markets would be presumptively permitted cognizable ownership in eight stations, but without regard to whether those stations transmit on AM or FM. Currently, in the largest markets, a party may not own more than five stations in the same service pursuant to the subcaps that are being eliminated. The revised rule allows the licensee to decide on the appropriate mix of AM and FM stations it would own in a market. Corresponding changes apply in each of the rule's market tiers where the prior market caps become baselines and subcaps are eliminated. As some commenters point out, station owners and would-be buyers stand in a uniquely favorable position to calibrate the most advantageous mix of AM and FM stations to operate in a particular market.[183]

54. By retaining baseline levels of permissible ownership and at the same time eliminating AM/FM subcaps, we seek to provide station owners with more flexibility to achieve viable station combinations that would be able to fulfill public interest obligations. Moreover, we share NAB's concern that such restrictions may be "fundamentally arbitrary" in some instances by failing to account for the

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[178] "The older the age group, the greater the growth in the podcast daily audience. Today, podcasts' greatest reach centers on 25-44s, with significant growth among 45-64s," according to *Edison Research's "Share Of Ear" Q3 2025*. Pierre Bouvard, *Q3 2025 Edison "Share of Ear": AM/FM Radio Dominates Ad-Supported Audio While Podcast Audiences Age as Older Audiences Surge* (Dec. 8, 2025), https://www.westwoodone.com/blog/2025/12/08/q3-2025-edison-share-of-ear-am-fm-radio-dominates-ad-supported-audio-while-podcast-audiences-age-as-older-audiences-surge/. This blog site was similarly cited as evidence underlying our decision to maintain the ownership caps and subcaps in the *2018 Quadrennial Review Order. 2018 Quadrennial Review Order*, 38 FCC Rcd at 12800, para. 34 n.106.

[179] *See supra* para. 34 (citing the Edison Study).

[180] Nielsen, *State of the Media: Audio Today—How America Listens* (Mar. 2015), https://www.nielsen.com/insights/2015/state-of-the-media-audio-today-how-america-listens/.

[181] *See* 47 U.S.C. § 307(b).

[182] *See Broadcast Station Totals as of March 31, 2016,* News Release (MB Apr. 6, 2016), available at http://transition.fcc.gov/Daily_Releases/Daily_Business/2016/db0406/DOC-338754A1.pdf; *Broadcast Station Totals as of March 31, 2026,* Public Notice, DA 26-336 (MB Apr. 10, 2026), available at https://docs.fcc.gov/public/attachments/DA-26-336A1.pdf.

[183] *See* Seven Bridges NPRM Comments at 2 (explaining how eliminating the AM and FM subcaps would "give radio additional opportunities to expand, react to competitive market conditions, and provide the truly local programming that listeners expect and deserve").

specific characteristics of different markets within the same tier.[184] However, we find that such concerns are resolved through the new case-by-case flexibility, described more fully below, by which broadcasters can request to exceed the rule's baseline limits, a process that can take into account variations in market characteristics.

55. While we acknowledge some commenters' proposals to eliminate only AM service ownership restrictions,[185] we find that the approach we are adopting is better tailored for the current realities of the radio marketplace, in which both the AM and FM service face mounting challenges that warrant relief. Broadcasters, such as the Joint Radio Commenters, have provided sufficient evidence to support their assertions that "[*o*]*nly* by increasing their reach in their local markets can local broadcasters keep up with changing audience attitudes and compete with Big Tech for advertising dollars."[186] Those advertising dollars are crucial for licensees to offer "more diverse programing opportunities . . . to compete with Big Tech for audience."[187] Indeed, we agree with Joint Radio Commenters that: "*Only* with scale will radio be able to afford the local programming that is now being co-opted by digital media. And, *only* with scale will radio attract the talent needed to compete. . . ."[188] This rule change will enable such a scaling up in service by providing licensees' economic viability to effectively meet the public interest obligations that they alone bear in the audio content space.

56. While most comments from the broadcast industry called for elimination of both Local Radio Ownership Rule market caps and subcaps in favor of a review process that looks only at audio content competition,[189] we believe that such wholesale regulatory excision would fail to serve the public interest. As explained in greater detail below, the better approach involves a careful balancing of the need for relief with the need for regulatory certainty and administrative efficiency in the course of application review. Additionally, we believe that the policy contained in this Order represents the most prudent regulatory path insofar as it involves incremental steps so the Commission may observe how any resulting broadcast ownership consolidation might benefit the public interest. Equipped with such data, we can better evaluate if additional rule changes are warranted. We believe that this approach best reflects the iterative process that Congress intended under section 202(h) of the 1996 Act when it established periodic ownership review to "determine whether any of such rules are necessary in the public interest as the result of competition."[190]

57. Such an approach is prudent–and warranted–insofar as we have found the public interest involves not just competition but also localism and diversity, and nothing in section 202(h) gives competition precedence over any other public interest goal—or any other statutory mandates not

[184] NAB NPRM Comments at 45.

[185] *See* iHeart Public Notice Comments at 1-2 (proposing to eliminate restrictions on AM ownership given its greater marketplace frailty and lower entry costs so it can continue to support diversity, but maintain restrictions on FM ownership to prevent over-consolidation); *see also* MRP NPRM Comments at 1 (proposing to fully eliminate the AM ownership caps); NRB NPRM Reply at 2 (proposing to fully eliminate the AM ownership caps, but to preserve the FM ownership caps); Salem NPRM Reply at 2-3 (explaining its proposal to fully eliminate the AM ownership caps).

[186] Joint Radio Commenters NPRM Comments at 6 (emphasis in original).

[187] *Id.*

[188] *Id.* (emphasis in original).

[189] *E.g.*, NAB NPRM Comments at 44; Joint Radio Commenters NPRM Comments at 54-55; Beasley NPRM Comments at 1-2; Americom NPRM Comments at 6; O'Brien NPRM Comments at 1; Cromwell NPRM Comments at 3; Galaxy Media NPRM Reply at 6.

[190] 1996 Act, § 202(h).

specifically part of this quadrennial review. We, therefore, decline to simply jettison all concerns other than radio's competitive position, as many industry commenters suggest.[191]

58. Moreover, the changes we are making will not directly result in any particular outcome. Any changes that would occur would be the result of broadcast radio transactions, and all such transactions will remain subject to Commission review under the Communications Act. Nevertheless, as we empower local broadcasters through newfound flexibility, enabled in part by elimination of AM/FM subcaps, we acknowledge the potential for some migration of programming currently on AM to FM, as licensees modify existing stations and acquire or win at auction additional FM channels.[192] Such migration by established broadcasters would then potentially free up some AM spectrum, creating opportunities for new entrants, including local entities, to acquire AM authorizations thereby made available.[193] AM radio stations thus could offer a more affordable entry point[194] to station ownership to new and diverse voices, and also potentially include some who may have been previously excluded from ownership.[195] Notably, even while some evidence shows declining demand for AM radio stations among some buyers, AM radio stations continue to sell and find new life with new owners.[196]

59. Bearing in mind this modification's potential for new and diverse entrants in the AM band, we reject musicFIRST and FMC's assertion that "[a]ny relaxation of the local FM limits under the Local Radio Ownership Rule would not be in the public interest as it would cause devaluation of AM radio stations . . ."[197] We view this argument not only to be speculative but also incomplete for failing to consider the unfavorable economic position of FM stations and their needs for regulatory relief. As some commenters point out, in an environment where all broadcast radio stations face challenges that warrant relief, it would make little sense to keep the current limits on FM ownership in place and thereby

[191] [As discussed in paras. 15-18, *supra*.]

[192] This process has taken place already as such top performing major market stations as WTOP in Washington, DC, WBT in Charlotte, NC, or WINS in New York, NY, have migrated, in whole or in part, from AM to FM, even without the new regulatory relief herein.

[193] For example, WRDZ(AM) in the Chicago market, which sold for $3.45 million in 2015, in FCC File No. BAL-20150729ACY, was acquired in 2026 by the local webcaster and broadcast time broker, Rebel Chicago Media, Inc., for $30,000 in FCC File No. 0000288524. Rebel Chicago Media did not own any broadcast stations before this acquisition.

[194] iHeart Public Notice Comments at 15-16 (noting such affordability "is evident from sales statistics from BIA: for the 1,304 station deals announced from 2021 through mid-February 2023, AM stations sold, across the board, at a notable discount to FM stations, as evidenced by the average sales price for AM versus FM stations grouped by market rank:

- Metros # 1-25: $1.3 million/AM vs. $1.6 million/FM
- Metros # 26-75: $340,000/AM vs. $919,000/FM
- Metros # 76+: $101,000/AM vs. $298,000/FM
- Unrated metros: $42,000/AM vs. $198,000/FM").

[195] Average AM station stick value dropped by nearly two-thirds between 2020 and 2025. S&P Global, *Broadcast TV and radio single and stick station deal values 2024–25 update* (Apr. 20, 2026) (last accessed May 14, 2026). Stick value is based on signal coverage, disregarding such operational factors as station format and historical financial performance. *See* BIA Advisory Services, *DISCOVER YOUR RADIO STATION'S VALUE*, https://www.bia.com/services/valuations-appraisals/radio-stick-value-calculator/ (last visited May 14, 2026).

[196] S&P Global, *Broadcast TV and radio single and stick station deal values 2024–25 update* (Apr. 20, 2026) (last accessed May 14, 2026) (describing declines in stick prices for AM station sales).

[197] musicFIRST and FMC NPRM Comments at 21-22.

constrain owners in that service in the hope of protecting AM business investments.[198] Similarly, we reject musicFIRST and FMC's assertion that removing the subcaps unfairly disadvantages AM station owners that made decisions to invest in stations based on their reasonable reliance on AM/FM subcaps.[199] First, the record does not contain any evidence of a specific station or station-group owner having argued that such a reliance interest militates for retaining subcaps. Secondly, even if this were the case, the subcaps themselves are not a static regulatory fixture to be relied upon but, rather, are susceptible to modification or repeal upon determination of "whether any of such rules are necessary in the public interest as a result of competition."[200] "'[E]mphasis must be first and foremost on the interest, the convenience, and the necessity of the listening public, and not on the interest, convenience, or necessity of the individual broadcaster. . . .'"[201]

60. Ultimately, it is not in the public interest for the Commission to nudge broadcast radio owners in need of better competitive scale to operate AM stations when their own business expertise leads them to conclude they can better serve listeners on FM.[202] Indeed, there may be instances where the current limits preclude FM acquisitions that could actually benefit the AM service by opening opportunities for strategic cross-subsidization or innovation across services or by spurring investment in overall station groups.[203] Some licensee strategies may lead them to scale up within the AM service or to uniquely focus on AM in ways that benefit listeners and support the public interest.[204] Our incremental approach here gives station owners the flexibility to pursue such opportunities.

61. In sum, this change to the Local Radio Ownership Rule achieves two important goals in support of the public interest because it: (1) bolsters the industry's economic wherewithal to meet public interest mandates; and (2) provides structures by which new and smaller, often local, competitive entrants can more affordably increase diversity and localism.[205] As discussed above, we believe this structural reform will bring to radio the voices of additional competitors, potentially including locally-focused ones, who may have been dissuaded from radio ownership by ownership market caps that until now forced incumbent licensees seeking market scale to own both AM and FM stations.[206] By eliminating the subcaps, we encourage and empower new entrants to the broadcast industry and, in so doing, honor the constitutional principle that "the widest possible dissemination of information from diverse and antagonistic sources is essential to the welfare of the public"[207]—which, of course, "has long been a basic tenet of national communications policy."[208]

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[198] NAB NPRM Reply at 36-39. *See also* Joint Radio Commenters NPRM Reply at 37-38 (asserting that other Commission proceedings provide a more direct and appropriate means to address the specific challenges facing AM stations).

[199] musicFIRST and FMC NPRM Comments at 24.

[200] 1996 Act, § 202(h).

[201] *FCC* v. *Pottsville Broadcasting Co.*, 309 U.S. 134, 138 n.2 (1940) (citing *Federal Radio Commission, Second Annual Report to Congress* at 169-70 (Oc. 1, 1928)).

[202] *See* NAB NPRM Reply at 40-41.

[203] *See, e.g.,* NAB NPRM Reply at 39; JVC NPRM Reply at 2; ICLE NPRM Comments at 10-11.

[204] Joint Radio Commenters NPRM Reply at 38 (describing the potential for "AM specialists to come into markets and buy many AMs to provide unique services").

[205] iHeart Public Notice Comments at 16 (stating "[w]ith its lower barriers to entry, AM radio also provides opportunities for innovative services furthering viewpoint diversity and localism").

[206] *See supra* para. 55.

[207] *Associated Press v. United States*, 326 U.S. 1, 20 (1945).

[208] *Turner Broad. Sys. v. FCC*, 520 U.S. 180, 192 (1997) (internal citations omitted).

62. We further maintain market ownership baselines because they provide benchmarks for orderly and efficient processes given the "substantial public interest in administrative efficiency."[209] We do recognize, however, that administrative efficiency is only part of the equation. In a time of dramatic marketplace change which, as noted, threatens to undermine the financial capacity of licensees to deliver the public interest benefits radio provides, the Commission must not dogmatically enforce market cap benchmarks and in so doing put off necessary licensee relief until the next quadrennial review. Indeed, the purpose of the quadrennial review is to "ensure that the FCC's ownership rules do not remain in place simply through inertia."[210] In the face of documented and dramatically rapid marketplace changes threatening delivery of the public interest benefits radio provides, the Commission now prudently opens an additional pathway to greater Local Radio Ownership Rule flexibility through case-by-case review.

63. *Case-by-case Analysis.* While retaining market ownership baseline defaults both protects our public interest objectives and provides orderly administrative structures, the Commission also recognizes specific local market conditions may call for case-by-case flexibility. The record supports the notion that a one-size rule does not fit all market situations.[211] In light of such market realities, we hereby establish a framework to facilitate administratively efficient case-by-case review of applications seeking to own stations beyond the baseline limits in the revised Local Radio Ownership Rule, whether by station acquisition,[212] new station construction, or engineering modifications to existing stations.[213] We believe that the public interest will be served best by establishing this mechanism to efficiently confront 21st-century attention economy challenges when exacerbated by ownership restrictions designed for the more constrained mass media environment of the past.

64. As explained below, applicants seeking to own more stations than baselines presumptively allow may utilize this new case-by-case framework to demonstrate that it would serve the public interest to increase the applicant's market holdings. In establishing this case-by-case structure, we identify relevant factors, rather than rigid submission criteria, by which applicants may demonstrate that additional ownership flexibility is warranted. Such data will assist the Commission in determining whether a proposed application is in the public interest. We find that this approach, which sets out guideposts by which applicants and the agency can evaluate analogous situations over time, will help ensure that due process is served and will promote administrative efficiency as neither applicants nor Commission staff need to reinvent the wheel for each application.[214] The factors discussed below are also consistent with the factors the Commission used in deciding whether to permit case-by-case exceptions to the Local Television Ownership Rule's Top-Four Prohibition prior to its vacatur.[215]

65. An applicant seeking authorization to acquire licenses exceeding market baselines will need to demonstrate that the public interest will be served by its proposal. While the Commission may consider all relevant facts in its case-by-case analysis, we note that the factors we identify and discuss

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[209] *Dixon v. Love*, 431 U.S. 105, 114 (1977).

[210] *FCC v. Prometheus*, 592 U.S. at 419.

[211] A common example of potential disparities among commonly defined markets is found in the placement of enormous markets, such as San Francisco with 117 radio stations into the same market tier as smaller markets with 45 radio stations, as noted by the Joint Radio Commenters. Joint Radio Commenters NPRM Comments at 65. While we do not prejudge the relative weight of any individual factor, the amount of competition and viewpoint diversity remaining, after approval, would clearly be a significant factor.

[212] 47 CFR §§ 73.3540, 73.3541.

[213] 47 CFR §§ 73.3533, 73.3571, 73.3573.

[214] *See Melody Music, Inc. v. FCC,* 345 F.2d 730, 732-33 (D.C. Cir. 1965) (requiring similar regulatory treatment for similarly situated parties).

[215] *See 2010/2014 Quadrennial Review Order on Reconsideration*, 32 FCC Rcd at 9837-9839, paras. 81-82 (subsequent history omitted) (establishing "hybrid" five part showing for licensees to request case-by-case exception to TV Top Four Prohibition).

below are likely to be particularly relevant to our decision. Accordingly, we recommend applicants provide the following information, as applicable and available:

(i) Ratings or other listenership data for the proposed combination and all other broadcast radio stations in the market;

(ii) Revenues of the radio stations involved in the proposed combination and all other broadcast radio stations in the market, including a comparison between the situation with and without the proposed above-the-baseline combination;

(iii) Population in the transaction's market and the relative local ad share and/or audience share of each station and their attributable owners, both before and after closing;

(iv) Effects the proposed combination will have on viewpoint diversity, localism, and new entrant access compared to adherence to the Local Radio Ownership Rule baseline;

(v) Market-specific conditions that weigh in favor of the proposed combination, with special focus on market size and the proposed combination's reach within the market, together with specific analysis showing that the proposed combination will not create over-consolidation that undermines the public interest.

Above all, parties must demonstrate that the proposed combination will serve the public interest when utilizing this more direct and efficient means to achieve ownership flexibility than previously possible through the traditional waiver request process.[216]

B. Local Television Ownership Rule

1. Introduction

66. In this section, we modify the Local Television Ownership Rule to include greater flexibility in allowing for common ownership that exceeds what the rule currently permits. Following the decision in *Zimmer Radio*, the current rule in effect permits common ownership of two full-power television stations in a Designated Market Area (DMA) as determined by Nielsen Media Research or any successor entity.[217] We find that the current rule does not serve the public interest as it fails to consider the impact of non-broadcast media on broadcast television stations. We also find that a baseline level of common ownership should be permitted in all DMAs and adopt a mechanism to provide additional flexibility on a case-by-case basis. These modifications will enable the Commission to evaluate television transactions on their merits—approving those that serve the public interest while denying any that do not—rather than categorically prohibiting common ownership based on rigid, predetermined criteria.

2. Background

67. As described above, the Local Television Ownership Rule previously conditioned common ownership of two in-market stations on the audience share rankings of the stations such that at least one of the stations could not be ranked in the top-four in audience share in the DMA (commonly referred to as the Top-Four Prohibition). In *Zimmer Radio*, the Eighth Circuit vacated the Top-Four Prohibition. That vacatur effectively also rendered inoperative the Local Television Ownership Rule's other provision that conditioned common ownership of two stations in a market on the "digital noise limited service contours of the stations" not overlapping because vacatur of the Top-Four Prohibition

[216] *See WAIT Radio v. FCC,* 418 F.2d 1153, 1157 (DC Cir. 1969) (finding that "[a]n applicant for waiver faces a high hurdle even at the starting gate."); *see also Withers Broad. Co.,* 52 F.C.C.2d 640, 640-41 (1975) (stating that "[s]ituations in which the Commission has waived the multiple ownership rules are rare . . .")

[217] [*See infra* para. 98.]

effectively made common ownership of two stations permissible even when there was contour overlap.[218] Therefore, following the *Zimmer Radio* decision, the rule, as it remains, is a two-station limit.

68. The *2022 Quadrennial Review NPRM* recognized that, with new competition from non-broadcast media, come new challenges for the broadcast television industry as stations seek to fulfill their public interest obligations.[219] The *2022 Quadrennial Review NPRM* sought comment on whether the Local Television Ownership Rule continues to promote over-the-air broadcast television service to American consumers, or whether the existing rule impedes their ability to serve their local communities due to the pressures local television stations now face.[220] The *2022 Quadrennial Review NPRM* invited comment on all aspects of the rule and on whether the current version of the rule is necessary to serve the public interest or, alternatively, whether the rule should be modified or repealed.[221]

3. Discussion

69. We conclude that the current rule, which permits common ownership of two stations in a DMA, does not serve the public interest but instead should serve as the baseline for permissible common ownership going forward. We find that the current rule should be modified to include case-by-case consideration for instances where permitting common ownership beyond two stations in a local market also would serve the public interest. We discuss below how competition in the video programming marketplace supports our decision to account for non-broadcast video's effect on broadcast television, as well as possible factors that we would consider in the case-by-case approach. Finally, we revise the text of the Commission's rules as published in the Code of Federal Regulations to reflect the mandate of the court in *Zimmer Radio* as well as the modifications we adopt in this order.

70. *Video Marketplace Competition*. The *2022 Quadrennial Review NPRM* sought comment on "the appropriate product market definition and market participants" that the Commission should consider in our analysis of the Local Television Ownership Rule "including whether an alternative market definition would better reflect how consumers access and make use of video programming."[222] The record in this proceeding demonstrates that new forms of non-broadcast video have emerged that compete with broadcast television even though they are not perfect substitutes.[223] These new sources of non-broadcast video compete not only for viewers but also for advertising dollars.[224] In many cases, these new forms of competition have placed increasing economic pressure on local TV broadcast stations.[225] Given these trends, we find that competition between broadcast and non-broadcast video should be considered when determining whether it is in the public interest to allow the common ownership of multiple television stations within a DMA.

71. The *2022 Quadrennial Review NPRM* sought comment on how the Commission should account for non-broadcast video programming in our analysis.[226] In past quadrennial reviews, the

[218] [*See infra* para. 98.]

[219] *2022 Quadrennial Review NPRM*, 40 FCC Rcd at 7980, para. 24.

[220] *Id.*

[221] *Id.*

[222] *Id.* at 7980, para. 25.

[223] *See generally* Fox NPRM Comments at 18-19; Gray Media, Inc. NPRM Comments at 8-14 (Gray); ICLE NPRM Comments at 13-14; NAB NPRM Comments at 83-99; Nexstar NPRM Comments at 6-13; Sinclair NPRM Comments at 4-6; ABC Television Affiliates Association et al. NPRM Reply at 13-14 (Network Affiliates).

[224] Fox NPRM Comments at 18; Gray NPRM Comments at 3-4, 9-14; NAB NPRM Comments at 91-98; Nexstar NPRM Comments at 10-12; Network Affiliates NPRM Reply at 13-14.

[225] Gray NPRM Comments at 4; ICLE NPRM Comments at 13-14; NAB NPRM Comments at 83-98; Nexstar NPRM Comments at 6-7; Sinclair NPRM Comments at 4-6.

[226] *2022 Quadrennial Review NPRM*, 40 FCC Rcd at 7980, para. 25.

Commission discounted the competitive impact of non-broadcast programming mainly because broadcasters remained the primary source of local programming in most markets.[227] The Commission's rationale was that by promoting competition amongst only those entities that provided local programming, these entities would be incentivized to continue producing high quality programming catering to the needs and interests of the communities in which they are licensed.[228] In other words, the Commission argued that because non-broadcast video sources did not provide local programming, their presence in the video marketplace would not provide broadcasters with sufficient incentives to produce local programming. We have changed our view and now believe there are ways in which non-broadcast video programming could affect the production of local programming.[229] We find that the need for broadcast television stations to distinguish themselves from non-broadcast video platforms can act as a tremendous incentive, apart from any Commission regulation, for broadcasters to remain committed to providing high-quality local programming.[230]

72. Although primarily focused on competition, the Local Television Ownership Rule's effects on the stations that produce local programming means that the rule is inextricably linked to the goal of localism as well.[231] The record of this proceeding indicates that, while non-broadcast video sources may not produce local programming, they do compete with broadcast television stations, and may affect the financial viability of such stations.[232] Thus, non-broadcast video sources may indirectly affect the ability of broadcast television stations to produce and offer local programming. As we have previously said, "television broadcasters' important role makes it critical for the Commission to ensure that its rules do not unnecessarily restrict their ability to serve their local markets in the face of ever-growing video programming options."[233] The record shows that broadcast television remains one of the only sources of local programming in most DMAs, but we are now persuaded by comments indicating that more general competition from non-broadcast sources affects the ability of local stations to promote localism.[234]

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[227] *2018 Quadrennial Review Order*, 38 FCC Rcd at 12825, para. 78; *2010/2014 Quadrennial Review Order on Reconsideration*, 32 FCC Rcd at 9833, para. 71.

[228] *2018 Quadrennial Review Order*, 38 FCC Rcd at 12825, para. 78.

[229] In rejecting assertions that greater consolidation was necessary to preserve localism, the previous quadrennial review stated that there was no reason to conclude the observed increases in local news were driven by consolidation, as opposed to competition to meet audience demand for local programming. *See 2018 Quadrennial Review Order*, 38 FCC Rcd at 12825-26, para. 79. However, this reasoning assumes that only competition among broadcast television stations spurs broadcasters to produce local programming to compete with each other, when it is just as likely (if not more so) that broadcasters are producing local programming as a distinguishing feature to attract and retain audiences against non-broadcast media that lack local content.

[230] *See* NAB NPRM Comments at 104-05 (stating that television stations are incentivized to offer local content to differentiate themselves from other outlets with which they compete for audiences and advertising revenue).

[231] *2018 Quadrennial Review Order*, 38 FCC Rcd at 12822, 12825, paras. 71, 78.

[232] Gray NPRM Comments at 7-14 (detailing how the ability of broadcast television to provide services to their local communities is impacted by competition for advertising revenue); Nexstar NPRM Comments at 6-16 (arguing that the competition faced by local television stations compounded with rising operation costs threaten the stations' ability to serve their communities); Sinclair NPRM Comments at 12-14 (noting that competition from online video means broadcasters are earning a fraction of what they used to earn while production of local programming and investment in local communities are expensive); Network Affiliates NPRM Reply at 12-14 (stating that programming like local news has only slowed broadcasters' decline but "competitively defensive" station combinations may reverse the trend and enable broadcast's survival).

[233] *2010/2014 Quadrennial Reconsideration Order*, 32 FCC Rcd at 9834, para. 72.

[234] Gray NPRM Comments at 6-14 (describing the "unique and indispensable role" local broadcast stations play and their competition against other platforms for advertising revenue); Nexstar NPRM Comments at 14-16 (highlighting the importance of local broadcasters to their communities and the operational challenges with providing local

73. With regard to viewpoint diversity, the Commission, in the *2018 Quadrennial Review Order*, found that, although competition-based, the Local Television Ownership Rule helps to ensure the presence of a number of independently owned broadcast television stations in the local market, thereby indirectly increasing the likelihood of a variety of viewpoints (including a variety of viewpoints within local programming) and preserving ownership opportunities for new entrants.[235] This assertion was a departure from the Commission's earlier conclusion that the rule is not necessary to promote viewpoint diversity due to the presence of non-broadcast media in local markets.[236] Again, the Commission departed from its earlier view, in part, because while many broadcast television stations produce local programming, other sources of local content often do not create the content themselves but instead repurpose local television broadcasts for their own platforms.[237] With this proceeding, we have determined that broadcast television's unique provision of local programming should not make irrelevant the contributions to viewpoint diversity from other sources of media.[238] There is also reason to doubt that ownership diversity has a positive effect on viewpoint diversity.[239] Consistent with past Commission conclusions, we find that our consideration of non-broadcast media more accurately reflects the true extent of viewpoint diversity in the video programming marketplace.[240]

74. Some commenters point out that the broadcasters' argument for including other sources of video programming in the Commission's analysis focuses on the advertising market and ignores the retransmission consent fee market.[241] As with local programming, retransmission consent fees are an aspect that is unique to broadcast television.[242] There is debate in the record about the extent to which this should matter in our analysis of local television ownership.[243] According to multichannel video

content); Sinclair NPRM Comments at 4-6 (arguing that broadcasters compete against non-broadcast media for network programming, viewers, and advertising revenue and that broadcasters' provision of local programming should not support ignoring that competition).

[235] *2018 Quadrennial Review Order*, 38 FCC Rcd at 12827, para. 81.

[236] *Id.*

[237] *Id.* at 12825, 12827, paras. 78, 81 (citing comments that much of the local news consumed online are uploaded television broadcasts).

[238] *See 2006 Quadrennial Regulatory Review – Review of the Commission's Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996*, Report and Order and Order on Reconsideration, 23 FCC Rcd 2010, 2065-66, para. 100 (2008) (*2006 Quadrennial Review Order*) (recognizing that other types of media, such as radio, newspapers, cable, and the Internet, contribute to viewpoint diversity within local markets (citing *2002 Biennial Review Order*, 18 FCC Rcd at 13668, para. 133)).

[239] *See* CAR NPRM Comments at 3 (arguing that how stations are run matters more than who owns the stations for purposes of viewpoint diversity); NAB NPRM Reply at 44-45 (pointing out the conspicuous absence of any empirical data showing that broadcast ownership rules have promoted viewpoint diversity).

[240] *See 2006 Quadrennial Review Order*, 23 FCC Rcd at 2065-66, para. 100.

[241] DIRECTV, LLC NPRM Comments at 2-12 (DIRECTV); American Television Alliance NPRM Comments at 2-9 (ATVA); DIRECTV NPRM Reply at 4-10. Retransmission consent fees are fees paid by MVPDs for the carriage of a broadcast television's station's signal. *2024 Communications Marketplace Report*, 39 FCC Rcd at 14255, para. 201.

[242] *2018 Quadrennial Review Order*, 38 FCC Rcd at 12823-24, para. 75 & n.256.

[243] As the Commission has said in the national television ownership context, retransmission consent negotiations are governed by a specific set of behavioral rules, including a good faith negotiation standard that applies to both broadcasters and MVPDs. *Amendment of Section 73.3555(e) of the Commission's Rules, National Television Multiple Ownership Rule*, Report and Order, FCC 26-53, at 34-35, para. 67 (*National Cap Report and Order*). The Commission also noted that there are limits to its statutory authority to act in this area. *Id.* at 35, para. 67 n.230 (citing *Amendment of the Commission's Rules Related to Retransmission Consent*, MB Docket No. 10-71, Notice of Proposed Rulemaking, 26 FCC Rcd 2718, 2727-29, paras. 18-19 (2011)). The Media Bureau has also expressed skepticism on the extent to which retransmission consent-related harms constitute harms to competition or

programming distributor (MVPD) commenters, permitting more consolidation will grant broadcasters more leverage and enable them to demand higher retransmission consent fees from MVPDs, which then pass the cost on to consumers.[244] Broadcast commenters downplay the impact of such fees, attribute the rising costs of MVPD services to other factors, and note how revenue from retransmission consent fees are projected to stagnate and diminish.[245] Complicating matters is that a portion of all retransmission consent fees received by the broadcast stations are paid to the national broadcast networks with which the stations are affiliated.[246] As a greater percentage of such "reverse compensation" has flowed to networks over the years, rising retransmission consent fees may not solely be a consolidation issue since the increases may be due to the local stations having to provide more compensation to the networks while maintaining their own local operations.[247] Also, not all television stations receive retransmission consent fees and the Commission is disinclined to adopt an overbroad rule that places restrictions on all broadcast stations regardless of whether they actually seek or intend to seek retransmission consent fees.[248] Therefore, given that retransmission consent issues apply to only a subset of entities that would be subject to the Local Television Ownership Rule, we are not inclined to find in this proceeding that retransmission consent fees justify retaining our prior approach of focusing on competition only between broadcast television stations. Similar to the Commission's findings with respect to national television ownership, we find that issues relating to retransmission consent are better addressed in the context of individual transactions to the extent that they involve stations that actually seek or intend to seek retransmission consent fees.[249]

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consumers. *Applications for Consent to the Transfer of Control of TEGNA Inc. to Nexstar Media Inc.*, MB Docket No. 25-331, Memorandum Opinion and Order, 41 FCC Rcd 2099, 2127-28, paras. 71-74 (MB 2026) (*Nexstar-TEGNA Order*) (explaining that harms to MVPDs are not necessarily harms to consumers because consumers can access broadcast programming over-the-air and have competitive options if prices or blackouts increase with a particular video programming service).

[244] DIRECTV NPRM Comments at 5-6; NCTA NPRM Comments at 1-13; Broadband Communications Association of Pennsylvania et al. NPRM Reply at 4-6 (State Cable Associations). In addition, the previous quadrennial review stated that "[p]romoting competition among local television stations prevents local broadcasters from demanding higher retransmission consent fees . . . costs that may be passed on to consumers." *2018 Quadrennial Review Order*, 38 FCC Rcd at 12825, para. 77. However, more recently, in the *National Cap Report and Order*, the Commission notes that "ultimately, it is MVPDs that set the prices for their subscribers." *National Cap Report and Order* at 40-41, para. 73.

[245] Gray NPRM Comments at 17-22; NAB NPRM Comments at 98-100; Sinclair NPRM Comments at 6-9, 14; CMG NPRM Reply at 9; NAB NPRM Reply at 52-53, 58-60; Network Affiliates NPRM Reply at 11; Nexstar NPRM Reply at 17-18.

[246] *2024 Communications Marketplace Report*, 39 FCC Rcd at 14282, 14284, paras. 256, 263 ("Industry estimates that about one-half of retransmission revenues are paid by stations to their affiliated networks as reverse retransmission fee"); *see also* Sinclair NPRM Comments at 7 (stating that the fees paid by broadcasters to the networks are increasing with networks taking a greater share of the fees).

[247] S&P Global, *US TV station retrans and reverse retrans projections, 2006–2030* (July 28, 2025) (estimating that reverse compensation fees paid by affiliated broadcast stations to networks increased from just over 50% in 2021 to almost 55% in 2025); Sinclair NPRM Comments at 7 (attributing rising retransmission consent fees to substantial increases in reverse compensation).

[248] *2024 Communications Marketplace Report*, 39 FCC Rcd at 14284, para. 263 & n.870; NRB NPRM Reply at 5 (explaining that independent broadcasters, particularly those without national network affiliations, rely on the Commission's must-carry framework); *National Cap Report and Order*, at 40-41, para. 73 & n.255 (highlighting the folly of using structural ownership rules to address retransmission consent fee related concerns).

[249] Consistent with the Commission's guidance in the national television ownership context, the focus of any retransmission consent-related analysis would be on transaction-specific considerations. *National Cap Report and Order* at 42, para. 76. *See also, infra,* para. 92. We clarify that the Commission has always been open to addressing transaction-specific retransmission consent-related harms in the context of individual transactions. *See Nexstar-TEGNA Order*, 41 FCC Rcd at 2130, para. 80 (noting that the Commission has not previously entertained *general*

75. In sum, we do not completely disregard broadcast television's unique characteristics, but we find that these characteristics do not justify examining television in its own isolated silo on an *ex ante* basis. We agree with commenters that a rigid market definition is unnecessary and that the Commission should instead focus on how competition for the attention of viewers, among other things, has affected television stations.[250] Non-broadcast video platforms could be included in the same markets as broadcast television on some bases such as advertising and viewership, but not others such as local programming and retransmission consent fees.[251] Rather than dictate the parameters for a market definition that includes some of these while disregarding others, we find that the better approach is to account for non-broadcast video sources through the lens of how they affect broadcast television on a case-by-case basis. In effect, the Commission will no longer formally define a product market for purposes of our local television competitive analysis but will now apply a more flexible approach that considers both broadcast and non-broadcast platforms if the circumstances of the DMA at issue so warrant.[252] For example, if in a certain DMA, the presence of non-broadcast video programming options significantly diminishes the viewership and advertising revenue of the broadcast stations while also mitigating any detrimental effects of common ownership to consumers, such factors would weigh in favor of expanding the competitive analysis beyond only broadcast television in that case.

76. Accounting for other sources of video programming in evaluating mergers of local television stations is within the Commission's discretion. In *Zimmer Radio*, the court recognized that the requirement of section 202(h) for the Commission to review whether its rules are necessary in the public interest as the result of competition meant that competition should be read through the lens of the public interest standard.[253] The public interest standard provides significant discretion to the Commission.[254] In addition, accounting for non-broadcast video programming—although a departure from past Commission

concerns about the retransmission consent marketplace in the context of individual transactions) (emphasis added). Furthermore, where the Commission indicated that non-transaction-specific issues involving retransmission consent fees should be addressed in rulemakings, the rulemakings we referred to were those concerning the Commission's existing retransmission consent rules and not rulemakings regarding the structural media ownership rules. *National Cap Report and Order* at 35-36, para. 68 (noting that the Commission has rules that directly govern the retransmission consent process and that general issues related to retransmission consent should be addressed in rulemaking proceedings focused on those rules).

[250] NAB NPRM Comments at 26-39 (arguing that a formal market definition analysis would interfere with the Commission's ability to examine how the depth and breadth of competition in the media marketplace impacts local broadcast stations); NAB NPRM Reply at 54-55 (explaining how market definitions are inapposite to evaluating rules of general applicability).

[251] DIRECTV urges the Commission to adopt the market definitions used by DOJ in its antitrust analysis. *See* DIRECTV NPRM Comments at 5-6. While the Commission has noted the consistency of its past market definitions with the DOJ's approach, we have never relied on or deferred to the DOJ's market definition because the Commission's analysis includes more than just antitrust considerations. *See 2010/2014 Quadrennial Review Order*, 31 FCC Rcd at 9875, para. 29 (acknowledging the similarity of DOJ's market definition to the Commission's analysis but noting that the Commission examines more factors than DOJ's focus); *2018 Quadrennial Review Order*, 38 FCC Rcd at 12824, para. 76 (noting the consistency of the Commission's market definition with DOJ's). NAB points out that DOJ's approach focuses on the context of individual transactions involving specific parties, which is distinguishable from the Commission's task of crafting broadly applicable *ex ante* rules. NAB NPRM Reply at 54-55. We agree and find no reason to adopt DOJ's market definition or give it greater consideration than we previously have.

[252] Although not defining a product market departs from the Commission's past practice, we believe such a departure is warranted if the Commission is to examine the video programming marketplace in a manner that more accurately reflects its current state. We find the arguments persuasive that a market definition has impeded the Commission's ability to evaluate properly television's status in the video programming industry. *See* NAB NPRM Comments at 35-38 (describing how the Commission's market definition distracted from its core inquiries).

[253] *Zimmer Radio*, 145 F.4th at 844.

[254] *Id.*

practice—is reasonable under current market conditions and is something the Commission already has contemplated.[255] While the *Zimmer Radio* court upheld the Commission's prior decision to examine a broadcast-only market, it indicated that an alternative approach might be just as reasonable.[256] The Commission also has long recognized that non-broadcast video programming has an impact on broadcasters and signaled its willingness to account for such programming sources in some way. In 2017, the Commission stated that its determination to exclude other types of video programming providers from consideration could change in a future proceeding with a different record.[257]

77. *Two-Station Baseline.* After the Eighth Circuit court decision, but prior to the conclusion of this quadrennial proceeding, the Commission's Media Bureau has interpreted the current Local Television Ownership Rule as a bright-line limit allowing for common ownership of two full-power commercial television stations in a local television market.[258] Observing that the Commission "is in a better position than th[is] Court to assess the disruptive effect of vacating" the Top-Four Prohibition, the Eighth Circuit had provided the Commission with the opportunity to defend the provision prior to issuing the vacatur mandate. The Bureau concluded that, in declining to do so, the Commission had rendered its judgment concerning the necessity of the Top-Four Prohibition, and that the Bureau was bound by that decision.[259] Accordingly, the Bureau applied the rule as it remained, which provided that common ownership of two stations should be allowed.[260]

78. With this first opportunity to review the Local Television Ownership Rule since these developments, the Commission now affirms its previous decision that common ownership of two television stations should be permissible. We find that permitting an entity to own two stations in the same market, regardless of ranking, strikes the necessary balance between allowing licensees the benefits of common ownership while safeguarding against the harms that consolidation within a local market may pose.[261] As we reiterated in the national television ownership context, removal of *ex ante* provisions will not eliminate the Commission's obligation to review all proposed transactions under its general public interest standard.[262] We also find that the public interest would not be served by permitting common

[255] The Administrative Procedure Act's arbitrary-and-capricious standard requires that an agency action be reasonable and reasonably explained. *Zimmer Radio*, 145 F.4th at 847 (citing *FCC v. Prometheus*, 592 U.S. at 423).

[256] *Zimmer Radio*, 145 F.4th at 850-51 (finding that aspects of the Commission's market analysis were "counterintuitive" and "[w]riting from a blank slate, we might have viewed the marketplace differently").

[257] *2010/2014 Quadrennial Review Reconsideration Order*, 32 FCC Rcd at 9833, para. 71.

[258] *Letter from Chief, Video Division to Sinclair Inc., et al.*, Letter Order, 41 FCC Rcd 469, 474-75 (MB 2026) (*Sinclair-Cunningham-Roberts Letter Order*).

[259] *Id.* at 474-75.

[260] *Id.* at 476.

[261] *See* Letter from Robert J. Folliard, III, Senior Vice President, Government Relations and Distribution, Gray Media, Inc., to Hon. Brendan Carr, Chairman, FCC, MB Docket No. 22-459, at 1-4 (filed Nov. 16, 2026) (Gray *Ex Parte*) (describing the benefits made possible by ownership of additional stations in local markets, including expanded local news programming, increased investment in broadcast station facilities, and improved staffing at local stations); Free Press NPRM Comments at 17-18 (arguing generally that structural broadcast ownership limits properly balance a license holder's economic interests and the public interest).

[262] *National Cap Report and Order* at 9-10, paras. 20-21. Under this public interest standard, even transactions that only reach the baseline common ownership of two stations will be reviewed and subject to denial if such common ownership does not serve the public interest. 47 U.S.C. § 310(d) (instructing that "[n]o . . . station license, or any rights thereunder, shall be transferred, assigned, . . . to any person except upon application to the Commission and upon finding by the Commission that the public interest, convenience, and necessity will be served thereby"). Furthermore, parties remain entitled to file petitions to deny any specific license transfer application by making a *prima facie* showing that any proposed combination does not serve the public interest. 47 U.S.C. § 309(d) (providing a statutory right to file a petition to deny a specific license application and to present evidence that makes the necessary *prima facie* showing that grant of the application is contrary to the public interest).

ownership of two stations and leaving it at that. Given the new approach taken by the Commission to evaluate competition in the video marketplace, as described above, common ownership of more than two stations in a local market should be permitted where circumstances warrant that flexibility from strict adherence to a two-station limit. We therefore modify the two-station numerical limit into a baseline from which greater common ownership could be permitted on a case-by-case basis.

79. Comments in the record advocating for deregulatory measures generally call for eliminating the Local Television Ownership Rule in its entirety.[263] Broadcast commenters argue that even in the absence of ownership regulations, the Commission still reviews all broadcast license transactions through section 310(d) to determine if the transactions serve the public interest.[264] We acknowledge that, in the *National Cap Report and Order*, the Commission repealed the bright line limit and chose to rely solely on a transaction review process governed by section 310(d). However, the national cap applied to audience reach on a national scale, whereas the Local Television Ownership Rule applies in each of the 210 DMAs. Because a relatively small number of entities had a national audience reach at or just below the national cap, its repeal was unlikely to lead to a large number of applications seeking to assign and transfer broadcast television licenses. By contrast, the elimination of the local television ownership baseline would permit additional acquisitions in *every* DMA and thus create the potential for a significant number of license assignment and transfer applications due to the sheer number of DMAs and the multiple television stations within each DMA. Accordingly, we find that it is reasonable and appropriate to maintain a baseline in order to conserve administrative resources and to provide regulatory certainty. Finally, some factors that supported repeal of the national cap, such as the national cap no longer maintaining the balance of power between broadcast networks and their affiliated stations, are not considerations in the local television context.[265]

80. Given the significant variation in geographic size, population, economic conditions, and other characteristics that exists among the 210 television DMAs, treating all DMAs as the same under the existing rule does not reflect reality, but it makes no more sense to eliminate the rules for all DMAs than it does to have the same rules for all DMAs. Put another way, the factors that would weigh in favor of ownership limits are not present in every market or with respect to every combination of stations, but neither are the factors that would weigh in favor of unlimited television ownership within a local market. For example, the need for scale and efficiencies may justify the Commission permitting a single entity to own more than two of the television stations in a sparsely populated market, but perhaps not in a market where there would be ample population density to support a large base for viewers and advertising.

81. In addition, the existence of non-broadcast media platforms could mitigate some harms that flow from additional concentration, but the impact of non-broadcast media may not be the same in every DMA.[266] There may be some DMAs where broadcast television's share of the overall viewership and advertising revenue is diminished significantly after accounting for non-broadcast media, as some

[263] Fox NPRM Comments at 18-19; Gray NPRM Comments at 1-2; ICLE NPRM Comments at 12-16; NAB NPRM Comments at 82-83; Network Affiliates NPRM Comments at 3; Nexstar NPRM Comments at 4-5; Sinclair NPRM Comments at 1-3.

[264] *See generally* Gray NPRM Comments at 27-28; NAB NPRM Comments at 127; Network Affiliates NPRM Comments at 11; Network Affiliates NPRM Reply at 9.

[265] *National Cap Report and Order* at 16-20, paras. 31-37.

[266] *See generally* Gray NPRM Comments at 25-27 (stating that "even if a broadcaster owned every commercial television station in a market, that broadcaster likely would have only 23% of the total viewership and earn only 28% of the video ad dollars in the market" meaning few, if any, transactions involving only broadcast television stations could be considered anti-competitive); The E.W. Scripps Company NPRM Reply at 3 (Scripps) (citing Nielsen data showing that all broadcast outlets together only captured 23.2% of viewership in the overall video marketplace in November 2025 while streaming captured 46.7%).

broadcast commenters assert.[267] Only a case-by-case approach can reveal whether the existence of non-broadcast platforms offsets the Commission's general concern with a highly concentrated television market, which is why it is a consideration in the case-by-case approach discussed below.[268]

82. Just as we decline to dispense with ownership regulations entirely, we also decline to reimpose on the two-station baseline any *ex ante* ratings-based prohibitions (e.g., some version of the Top-Four Prohibition) as some commenters suggest.[269] The Commission has previously determined that common ownership of two stations strikes the appropriate competitive balance of enabling some efficiencies of common ownership while maintaining a level of competition amongst broadcast television stations to ensure that they continue to serve the public interest.[270] When the Commission first permitted common ownership of two stations, it articulated that same-market television station combinations should be allowed where such combinations would not unduly diminish its public interest goals.[271] Although such common ownership at the time was subject to additional conditions, we find that the alternative approach we adopt in this order can also ensure same-market television station combinations do not unduly diminish the public interest without the need to re-impose any conditions based on a station's signal service contour or audience market share.[272] The Commission had acknowledged that the justification for its previous ratings-based restriction on the two-station limit does not apply in all markets.[273] For instance, in 2017, the Commission already concluded that the limit was over-inclusive to the extent that it prohibited combinations of top-four ranked stations that do not present public interest harms or that offer potential public interest benefits that outweigh any potential harms.[274] Given the marketplace changes and the emergence of even more platforms for video programming since 2017, we find that it is even more likely today in 2026 that most combinations of two stations are unlikely to be problematic. We therefore determine that the public interest benefits of common ownership of two stations in a DMA generally would outweigh any potential harms, and that permitting such common ownership would be a better practice than automatically restricting it to guard against the relatively

[267] *See, e.g.*, Gray NPRM Comments at 25-27 (describing how broadcast television's historical ability to reach every household in a DMA has eroded as other media platforms siphon off advertisers and viewers).

[268] *See* Gray NPRM Comments at 27-28 (proposing that the Commission could examine market share as part of its evaluation of any proposed transaction that would "result in excessive concentration of a properly defined market"—that is not limited only to broadcast television—on a transaction-specific basis).

[269] *See* NCTA – The Internet & Television Association NPRM Comments at 4-8 (NCTA); *see also* Newsmax NPRM Comments at 15-17; State Cable Associations NPRM Reply at 11-13.

[270] *2018 Quadrennial Review Order*, 38 FCC Rcd at 12827, para. 82; *Review of the Commission's Regulations Governing Television Broadcasting and Television Satellite Stations Review of Policy and Rules*, MB Docket Nos. 91-221 and 87-8, Report and Order, 14 FCC Rcd 12903, 12930, para. 57 (1999) (*1999 Television Ownership Order*).

[271] *1999 Television Ownership Order*, 14 FCC Rcd at 12930-31, paras. 57-59.

[272] The previous quadrennial review found that, given the current levels of viewership and advertising revenue concentration in television markets, there were no grounds to depart from a numerical limit of two stations. *2018 Quadrennial Review Order*, 38 FCC Rcd at 12828, para. 84. We agree with this notion to the extent that permitting common ownership of two stations is consistent with the public interest generally, but we also find that the particular circumstances of individual markets could support greater common ownership which should be examined in a case-by-case analysis.

[273] *2010/2014 Quadrennial Review Order on Reconsideration*, 32 FCC Rcd at 9837-38, para. 79-81; *see also Transfer of Control of Raycom Media, Inc. to Gray Television, Inc.*, MB Docket No. 18-230, Memorandum Opinion and Order, 33 FCC Rcd 12349, 12359-60 (MB 2018) (*Raycom-Gray Order*); *Transfer of Control of Tribune Media Company to Nexstar Media Group, Inc., and Assignment of Certain Broadcast Licenses and Transfer of Control of Certain Entities Holding Broadcast Licenses*, MB Docket No. 19-30, Memorandum Opinion and Order, 34 FCC Rcd 8436, 8459 (MB 2019) (*Tribune-Nexstar Order*) (concluding that rigid application of the Top-Four Prohibition would not serve the public interest).

[274] *2010/2014 Quadrennial Review Order on Reconsideration*, 32 FCC Rcd at 9837-38, para. 79-81.

unusual instances where the potential harms would outweigh the benefits. As a result, where identified by a petitioner, we find it better to assess those relatively unusual situations on their individual merits, as opposed to banning them categorically.[275]

83. Using common ownership of two stations in the same market as the baseline without additional audience share-based or contour-overlap stipulations follows past Commission practice.[276] The Commission previously determined that market share analysis would not be necessary in the radio ownership context when numerical limits could protect against harmful concentration levels in local radio markets that might otherwise threaten the public interest.[277] In doing so, the Commission highlighted that interested parties have a statutory right to file a petition to deny a specific license transfer application by presenting evidence that makes the necessary *prima facie* showing that a proposed combination is contrary to the public interest.[278] We find that this approach can be effective in the television context as well since it follows the progression of how the Local Television Ownership Rule has changed as the result of competition. The rule originally prohibited all common ownership unless the ratings-based stipulation was met. Then the rule was modified to allow for showings demonstrating that common ownership of two stations serves the public interest even where the stipulation was not met, but this modification still assumed that the original prohibition was generally applicable. Now, based on changes to the video marketplace and to our competitive analysis approach, we find the prohibition is no longer generally applicable and that common ownership of two stations should be permitted but allow for petitions to show that such common ownership would not serve the public interest. In practice, this approach would shift the burden to petitioners to demonstrate that common ownership of two stations in the same DMA would not serve the public interest under section 310(d) rather than categorically presuming any such common ownership would harm the public interest. This approach allows the Commission to assess any competition concerns arising from proposed television station ownership combinations more effectively than an *ex ante* ratings-based prohibition.

84. We emphasize that common ownership of two stations is the starting point and not the end. Moreover, maintaining this baseline also balances the need for relief with administrative efficiency and a degree of certainty in that widespread, rapid disruption to the industry will be avoided while the case-by-case approach determines where additional relief best serves the public interest. As discussed earlier, because the Commission would be able to identify better in the context of individualized situations rather than in one proceeding whether and to what extent ownership limits should be relaxed or eliminated in each of the 210 DMAs, we find that a case-by-case approach in conjunction with maintaining a baseline level of common ownership meets the Commission's need for identifying where relief is needed most as it reviews proposed transactions.

85. *Case-by-case analysis*. A bright-line component in any rule may be administratively efficient in that it gives parties clear notice of permissible common ownership and facilitates efficient outcomes during transaction reviews. However, due to changes in the media marketplace, a lack of flexibility in the Local Television Ownership Rule is no longer appropriate. In particular, an inflexible television ownership rule prevents transactions that could serve the public interest.[279] In focusing only on

[275] 47 U.S.C. 309(d).

[276] *See 2002 Biennial Review Order*, 18 FCC Rcd at 13736-37, paras. 300-01 (declining to incorporate a market share analysis into the Local Radio Ownership Rule or to flag applications that propose radio station combinations above a certain market share).

[277] *Id.* at 13737, para. 301.

[278] *Id.*

[279] *See* Nexstar NPRM Comments at 24-26 (describing how the Local Television Ownership Rule undermines localism and broadcasters' ability to serve their communities); NAB NPRM Comments at 104 (stating that the television ownership rules prevent achievement of greater scale and discourages investment in broadcasting); CAR NPRM Comments at 1-3 (noting that ownership diversity may not increase viewpoint diversity); Nexstar NPRM Reply at 9-11 (asserting that the Local Television Ownership Rule is "affirmatively harmful" to the Commission's

competition amongst broadcast television stations and ignoring the potential competitive impact of non-broadcast video, the rule denies broadcast television the ability to compete on a level playing field with other forms of media.[280] Likewise, the Commission has not accounted for negative effects the current rule may be having on localism and viewpoint diversity.[281] We find that, by moving to a case-by-case approach, the Commission will be able to consider all the relevant facts, including the effects of the proposed transaction on competition among local broadcast television, competition between broadcast television and non-broadcast video programming, and the effect of the transaction on localism and viewpoint diversity. By doing so, the Commission should be better able to determine whether the public interest benefits of any television transaction outweigh any public interest harms.

86. By being provided with additional ownership flexibility, broadcasters will be better positioned to compete against other providers of video programming and continue to play a role in the larger media marketplace. The current rule thus may prohibit some transactions that could be procompetitive, promote localism, or even increase viewpoint diversity. The record contains many examples of transactions that produce public interest benefits.[282] Notably, case-by-case review may make it possible to sustain independent local news operations in many television markets on an ongoing, economically viable basis, where it would otherwise be difficult or impossible under prevailing marketplace conditions.[283] There are countervailing examples in the record as well.[284] However, we now recognize that a bright-line prohibition is no longer in the public interest when some barred transactions on balance could benefit the public even as others could cause public interest harms. A case-by-case approach allows us to examine all proposed transactions, and based on our analysis of weighing the benefits against the harms, transactions that serve the public interest would be approved while those that do not serve the public interest would be denied.

87. The Commission recognizes the Local Television Ownership Rule should have flexibility when circumstances dictate that common ownership greater than the baseline in a DMA will promote the viability and effectiveness of the local stations in the overall video programming marketplace. The Commission thus will be able to consider an application for acquiring and owning more than two stations in a DMA on a case-by-case basis, similar to the approach that the Commission took to application of the Top-Four Prohibition prior to its vacatur.[285] A case-by-case approach suits the broadcast television

public interest goals); Gray *Ex Parte* at 1-4 (describing three transactions that allowed Gray to acquire and invest in struggling stations to improve local service).

[280] *See* Nexstar NPRM Reply at 3-8 (highlighting how changes in the local sport advertising marketplace compels consideration under section 202(h) of competition from non-broadcast sources); *see also* Scripps NPRM Reply at 2-4 (agreeing with comments that "the market in which broadcast television stations compete can no longer reasonably be considered to consist only of broadcast television stations").

[281] *See* Sinclair NPRM Comments at 13-14 (stating that the Local Television Ownership Rule makes it challenging for broadcast stations to afford to produce or obtain programming); Network Affiliates NPRM Reply at 12-13 (pointing out the disconnect in expecting broadcasters to increase the quality and quantity of local news while preventing broadcasters from maximizing the economic opportunities available to them); Scripps NPRM Reply at 4-5 (asserting that common ownership of multiple stations in the same market actually limits overlap on stories being covered and allows for coverage of stories that otherwise would have remained uncovered).

[282] Gray NPRM Comments at 15-17; ICLE NPRM Comments at 14-16; Nexstar NPRM Comments at 17-20; Sinclair NPRM Comments at 12-13; Scripps NPRM Reply at 4-6; Gray *Ex Parte* at 1-4.

[283] NAB NPRM Comments at 105-09 (documenting the positive correlation between common ownership of local broadcast television stations and the number of news telecasts and hours of local news provided to viewers); Gray *Ex Parte* at 2-3 (describing Gray's expansion of local news programming at stations it acquired, which had previously been "unprofitable" and "actively cutting jobs and programming to reduce costs").

[284] APA et al. NPRM Comments at 12-14, 18-20; Free Press NPRM Comments at 21-22, 24-36.

[285] *2010/2014 Quadrennial Review Order on Reconsideration*, 32 FCC Rcd at 9837-38, para. 79-81.

ecosystem better given the rapidly changing nature of the video programming industry.[286] Such an approach also will enable the Commission to target where and when additional flexibility is necessary and to better account for variations in the characteristics of the market or the stations involved.[287]

88. Accordingly, we adopt the following text as the new 47 CFR § 73.3555(b)(2): "An entity may be permitted to directly or indirectly own, operate, or control more than two television stations licensed in the same DMA where, upon request, the Commission makes a finding that multiple ownership beyond that already permitted by paragraph (b)(1) of this section would serve the public interest, convenience, and necessity. The Commission will consider showings that multiple ownership beyond that already permitted by paragraph (b)(1) of this section serves the public interest, convenience, and necessity due to specific circumstances in a local market or with respect to a specific transaction on a case-by-case basis."[288] We will also amend Note 6 to section 73.3555 to reference this Report and Order.[289]

89. The record of this proceeding contains multiple comments espousing the benefits of case-by-case analysis, albeit primarily in the absence of any ownership limits.[290] Nevertheless, we find such comments relevant to our determinations. As the Commission previously said in a very similar context, given the variations in local markets and specific transactions, we do not believe a rigid set of criteria for our case-by-case analysis would help applicants at this time in making the requisite showing, but rather general guidance on what factors will be considered should be discussed.[291] Commenters have suggested some factors which could be considered in a case-by-case approach, although the factors we discuss will by no means be an exhaustive list. These include (1) the number of television stations in a DMA, (2) the DMA's population, (3) the relative competitive strength of the DMA's stations, and (4) the availability of non-broadcast video or digital advertising platforms.[292]

90. Moreover, for instances where an entity applies to own more than two stations in a DMA, we will also consider hardships or service disruptions resulting from divestiture of any existing duopoly. In the *Scripps-Circle City Order*, the Media Bureau found that grant of a triopoly was preferable to requiring divestiture of a station that otherwise may see its service diminish significantly or even go dark.[293] Similarly, in transactions that were approved under the case-by-case application of the Top-Four Prohibition, the Media Bureau took into account potential disruption to consumers if divestiture was required. In the *Gray-Raycom Order*, the Media Bureau noted that, "[h]istorically, the Commission has been hesitant to require divestiture when doing so would create disruption to the marketplace and

[286] Gray NPRM Comments at 27-28 (stating that a transaction-specific approach "properly takes into account the actual media marketplace that broadcasters operate in the modern age").

[287] As the Commission has said, a case-by-case approach is also consistent with the Commission's actions with respect to other media ownership limits and the direction the Commission has taken in the mobile wireless sector. *National Cap Report and Order* at 24, paras. 44-45.

[288] For purposes of the Local Television Ownership Rule, the term "stations" means full-power commercial television stations. The ownership limits in section 73.3555 are not applicable to noncommercial educational television stations. 47 CFR § 73.3555(f). Low-power television and translator stations also are not counted as stations for purposes of section 73.3555. 47 CFR § 74.732(b).

[289] Note 6 to section 73.3555 previously referenced the *2010/2014 Quadrennial Review Reconsideration Order*, which set forth analysis for the case-by-case approach to the Top-Four Prohibition.

[290] Gray NPRM Comments at 27-28; ICLE NPRM Comments at 16; NAB NPRM Comments at 82-83, 121, 127.

[291] *2010/2014 Quadrennial Review Reconsideration Order*, 32 FCC Rcd at 9838-39, para. 82.

[292] NAB NPRM Comments at 120-21.

[293] *Application for Consent to the Assignment of WRTV(TV), Indianapolis, Indiana, from Scripps Broadcasting Holdings LLC to CCB License, LLC*, Order, 41 FCC Rcd 1533, 1535-36, para. 9 (MB 2026) (*Scripps-Circle City Order*).

hardship for owners that outweigh any benefits of divestiture."[294] The full Commission also affirmed this notion in granting a request for case-by-case application of the rule in a transaction between Nexstar and Tribune.[295]

91. Factors similar to the standard for failed/failing station waivers under the previous Local Television Ownership Rule would also be considered. However, whereas a failed/failing station waiver would be granted presumptively if its criteria were met, here the operational difficulties of one of the stations at issue would be merely one of many factors considered as part of the case-by-case review. In the *MPS-WQMY Order*, the Media Bureau granted a triopoly under some of those factors after finding that no one but an in-market buyer likely would purchase and invest in the station at issue.[296] For such waivers under Note 7 to section 73.3555, the Media Bureau had required a showing that the in-market buyer is the only entity ready, willing, and able to operate the station and that sale to an out-of-market entity would result in an artificially depressed price.[297] Providing an affidavit from an independent broker affirming that active and serious efforts have been made to sell, and that no reasonable offer from an out-of-market entity has been received would be one way to satisfy these criteria.[298] Other criteria could include if one of the broadcast stations involved is a "failed" or "failing" station as defined in the rules, or that the combination will result in the construction of an unbuilt station.[299] We incorporate these factors into the case-by-case approach adopted today.

92. The effect of the proposed transaction on retransmission consent fees is another factor that will be considered, where relevant, as part of the Commission's case-by-case review. Although the Media Bureau has said that it would not consider issues such as the effect of common ownership on retransmission consent fees in adjudications involving otherwise rule-compliant broadcast television duopolies,[300] broadcast commenters in the record of this proceeding seem open to addressing issues involving retransmission consent fees in a case-by-case context.[301] As in the context of national television ownership, only transaction-specific allegations of public interest harms would be considered.[302] We agree with commenters that non-transaction-specific issues involving retransmission consent fees should be addressed in rulemakings concerning the Commission's existing retransmission consent rules instead of media ownership.[303]

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[294] *Raycom-Gray Order*, 33 FCC Rcd at 12361, para. 30.

[295] *Tribune-Nexstar Order*, 34 FCC Rcd at 8458, para. 44.

[296] *Application for Consent to the Assignment of the License of WSWB(TV), Scranton, Pennsylvania, from MPS Media of Scranton License, LLC to WQMY Licensee, LLC*, Letter, DA 26-387, at 4-5 (MB Apr. 21, 2026).

[297] 47 CFR § 73.3555, Note 7.

[298] *Id.*

[299] As provided in the rules, a "failed" station has not been in operation due to financial distress for at least four consecutive months immediately prior to the waiver application, or is a debtor in an involuntary bankruptcy or insolvency proceeding at the time of the application. A "failing" station has an all-day audience share of no more than 4% and has had negative cash flow for three consecutive years immediately prior to the waiver application. 47 CFR § 73.3555, Note 7.

[300] *Sinclair-Cunningham-Roberts Letter Order* at 9.

[301] NAB NPRM Comments at 128 ("To the extent that a proposed combination of local stations even could raise retransmission consent concerns, those would be best addressed during case-by-case license transfer/assignment reviews."); Scripps NPRM Reply at 7-8 & n.19 ("[An individualized review] would allow local viewers, competitors, and MVPDs with retransmission-consent related claims a far more appropriate avenue to raise those claims.").

[302] *National Cap Report and Order* at 42, para. 76.

[303] *See* NAB NPRM Reply at 69 (stating that NCTA may file a petition for rulemaking regarding the Commission's good faith rules for retransmission consent negotiations or ask Congress to consider these issues); Nexstar NPRM

93. We find that factors the Commission previously examined as part of its flexible application of the Top-Four Prohibition still provide useful guidance for the current case-by-case approach. These include: (1) ratings and revenue share data of the stations proposed to be combined compared with other stations in the market, including advertising (on-air and digital) and retransmission consent fees, (2) market characteristics, such as population and the number and types of broadcast television stations serving the market, (3) the likely effects on programming meeting the needs and interests of the community, and (4) any other circumstances impacting the market, particularly any disparities primarily impacting small and mid-sized markets.[304] These factors enable the Commission to fully and properly evaluate applications, and address concerns, regarding ownership combinations that previously would have been strictly prohibited by the rule.[305] Because this basic information gives the Commission a good understanding of the local television landscape in a particular DMA, we expect that these factors should be similarly helpful when applied in case-by-case evaluation of common ownership, even in the absence of the Top-Four Prohibition.

94. Similar to our rationale in the national television ownership context where we indicated that not every transaction would get approved, the approach we adopt here is less about the outcome of transactional reviews and more about enabling the Commission to examine transactions that would have been prohibited outright under the previous rule.[306] As we stated in the *National Cap Report and Order*, transactions that serve the public interest would get approved while those where the public interest harms outweigh the benefits would not.[307] For this reason, we recognize that the record details several harms from consolidation that the Commission could weigh, even in our efforts to ensure that broadcasters are able to compete more effectively.[308] Specifically, the record reflects concerns about homogenization of content on commonly-owned stations,[309] negative effects on localism due to reductions in newsroom staff following television mergers,[310] concentration of programming decision-making in fewer entities,[311] and increased pressures to independent broadcasters that focus on faith-based, family-oriented, or educational

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Reply at 24 (stating that proposals relating to rules governing retransmission consent are not appropriate for the quadrennial review); Letter from Jerianne Timmerman, Senior Vice President and Deputy General Counsel, NAB, to Marlene H. Dortch, Secretary, FCC, MB Docket No. 22-459, at 4-5 (filed Apr. 9, 2026) (reiterating that media ownership proceedings are not appropriate fora for consideration of retransmission consent-related claims).

[304] *2010/2014 Quadrennial Review Order on Reconsideration*, 32 FCC Rcd at 9838-39, para. 82.

[305] *See generally Raycom-Gray Order*, 33 FCC Rcd at 12349; *Tribune-Nexstar Order*, 34 FCC Rcd at 8436; *Consent to Assign Certain Licenses from Gray Television Licensee, LLC to Marquee Broadcasting West, Inc. and Assignment of Construction Permit from Marquee Broadcasting West, Inc. to Gray Television Licensee, LLC*, Memorandum Opinion and Order, 39 FCC Rcd 6600 (MB 2024) (*Gray-Marquee Order*).

[306] *National Cap Report and Order* at 10, para. 21.

[307] *National Cap Report and Order* at 25, para. 46.

[308] *See* Free Press NPRM Comments at 17-18; APA et al. NPRM Comments at 8-23; FDD NPRM Comments at 5.

[309] MAC NPRM Comments at 3-4 (referring to a pattern where a broadcaster controlling multiple stations in a DMA reproduces the same news stories on all their stations); State Cable Associations NPRM Reply at 8 (citing a study that examined the airing of "word-for-word, identical news segments across multiple stations in the same market").

[310] *See* APA et al. NPRM Comments at 21 & n.69 (including reduction and elimination of employment opportunities for local journalists as factors in how consolidation negatively impacts the local news ecosystem); State Cable Associations NPRM Reply at 7 & n.28 (associating increased consolidation with reductions in local news quality, local newsroom shutdowns, and cutbacks on local reporters).

[311] *See* APA et al. NPRM Comments at 18; Newsmax NPRM Comments at 6; NABET-CWA NPRM Reply at 8 (noting that consolidation could result in fewer separate entities making decisions about what content may be shown in a local market, concentrating decision-making regarding the carriage of programming and harming the viewpoint diversity of the broader programming ecosystem). Although we do not find that ownership limits are necessary to promote viewpoint diversity, we nevertheless conclude that the Commission should consider any potential negative effects of consolidation on viewpoint diversity given the concerns of commenters in the record.

programming.[312] Our task with the case-by-case approach is to find the proper balance that ensures both the viability of broadcast television and the continued operation of broadcast television stations in a manner that serves the public interest.[313]

95. A case-by-case approach can also allow the Commission to address its previous concerns about entities using network affiliation transactions to circumvent its rules.[314] We recognize that certain network affiliation transactions could be used as a way to circumvent Commission scrutiny of what station combinations are permissible under the case-by-case approach.[315] Upon consideration, the Commission or Media Bureau may adopt safeguards, such as imposing conditions on applicants so that they do not engage in network affiliation practices that fundamentally alter the relative strength of the stations involved in a transaction after the transaction has been granted.

96. In addition, in markets where an applicant is seeking to own more than two full-power stations, the use of multicast streams and low-power television (LPTV) stations as major network affiliates in that market can be examined in a case-by-case context as part of the Commission's overall evaluation of competition in the DMA. Similar to our previously discussed concerns with network affiliation transactions, we recognize that the placement of major national broadcast network content on multicast streams and LPTV stations could undermine Commission analysis of which station combinations are permissible under the case-by-case approach if the inquiry was focused solely on full-power commercial stations. Commenters in the record assert that public interest harms flowing from an entity having excessive audience share in a DMA would accrue regardless of whether this audience share concentration was achieved via full-power television stations, LPTV stations, multicast streams, or some combination of each.[316] Rather than formally including multicast streams or LPTV stations in the rule under certain circumstances, as the Commission previously did with its Note 11 modification, we would consider multicast streams and LPTV in the context of developing a fuller understanding of the broadcast

[312] NRB NPRM Reply at 3-5 (stating that independent broadcasters may be particularly vulnerable as consolidation increases).

[313] *See* FDD NPRM Comments at 5 (suggesting that economic pressures driving consolidation should be balanced with concerns related to "preserving a minimally sufficient level of distributed, over-the-air capability"); *see also* Free Press NPRM Comments at 17-18 (arguing for a balance between a broadcast license holder's economic interest with the public's interest).

[314] As the Commission has noted, network affiliation transactions typically are not reviewed by the Commission but can be the functional equivalent of station acquisition transactions. *2010/2014 Quadrennial Review Order*, 31 FCC Rcd at 9882-83, paras. 47-48. We expect interested parties to raise, at the time that an entity applies for case-by-case consideration, the issue of when that entity may be misusing (or may intend to misuse) its affiliation arrangements once the entity's transactions are not under Commission scrutiny. *See* Letter from Michael Nilsson, Counsel to ATVA, HWG LLP, to Marlene H. Dortch, Secretary, FCC, MB Docket No. 22-459, at 2-4 (filed May 11, 2026) (ATVA May 11 *Ex Parte*) (detailing the ways certain entities allegedly use network affiliations to evade scrutiny). The manner in which entities in the past have utilized network affiliation arrangements in relation to the Commission's rules then in effect would be especially illustrative.

[315] *See* ATVA May 11 *Ex Parte* at 2-4. Because the network affiliation transactions identified by ATVA involve instances where Sinclair could have acquired the stations outright, the transactions are not circumventing the rule currently in effect, which the Media Bureau has applied as simply a two-station limit. *Sinclair-Cunningham-Roberts Letter Order* at 6-7. However, such affiliation practices could have relevance if the Commission were evaluating the relative competitive strength of the stations at issue in a transaction. Notably, in certain instances, the Media Bureau has waived the two-station limit and approved ownership of three television stations in a DMA based on the specific characteristics of the three stations involved at the time of application. *See Scripps-Circle City Order* at 2-4, paras. 6, 11.

[316] *See* DIRECTV NPRM Comments at 25-28; NCTA NPRM Comments at 8; State Cable Associations NPRM Reply at 11, 13. *But see* NAB NPRM Reply at 68-69 (maintaining that placement of major national broadcast network content on multicast streams or LPTV stations only occurs in markets that lack enough full-power commercial television stations to affiliate with each major network).

television assets an entity has or is applying to acquire in a transaction.[317] We clarify that, although we will not count multicast streams or LPTV as full-power stations towards the number of stations an entity may own in the case-by-case analysis, we nevertheless find that they are relevant to evaluating the state of competition within a DMA, particularly to the extent that they have audience or advertising shares comparable to full-power stations in the DMA.[318]

97. Although the *Zimmer Radio* court made no distinction between the case-by-case analysis component of the Top-Four Prohibition and a waiver, we emphasize that, as there is validity to the general rule, the case-by-case approach we adopt here cannot be characterized as the Commission's attempt to save an irrational rule by tacking on a waiver procedure.[319] Courts have long held that a waiver cannot save an otherwise irrational rule.[320] That is not the situation here. As we explained above, the general rule that maintains a baseline level of permissible common ownership, subject to the Commission's public interest standard, still serves important purposes even as we adopt a case-by-case approach for anything above the baseline.

98. Finally, in addition to changes we adopt in this order, we revise the Commission's rules to reflect the court's mandate in *Zimmer Radio*. As it currently reads, section 73.3555(b)(1) of the Commission's rules provides that "[a]n entity may directly or indirectly own, operate, or control two television stations licensed in the same Designated Market Area (DMA) (as determined by Nielsen Media Research or any successor entity)" subject to two provisions.[321] As described earlier in Section II, the Eighth Circuit's decision in *Zimmer Radio* vacated the provision of the Local Television Ownership Rule which conditioned common ownership of two in-market stations on the audience share rankings of the stations involved, known as the Top-Four Prohibition, that had been part of the rule adopted in the previous *2018 Quadrennial Review Order*.[322] Vacatur of that provision also had the effect of rendering inoperative the rule's other provision that conditioned common ownership of two stations in a market on the "digital noise limited service contours of the stations" not overlapping.[323] Because vacatur of the Top-

[317] An analogous situation can be found in the Local Radio Ownership Rule where noncommercial radio stations are used to determine radio market size tiers even though noncommercial stations are not subject to ownership limits. 47 CFR § 73.3555(a), (f).

[318] We note that applications for transfer of ownership or control of LPTV stations are subject to petitions to deny. 47 CFR § 74.732(f).

[319] *Zimmer Radio*, 145 F.4th at 856.

[320] *Id.* (citing *ALLTEL Corp. v. FCC*, 838 F.2d 551, 561 (D.C. Cir. 1988)).

[321] 47 CFR § 73.3555(b)(1). Section 73.3555 (b)(1)(i) provides that an entity may own, operate, or control two television stations licensed in the same DMA if the "digital noise limited service contours of the stations computed in accordance with § 73.619(c) do not overlap." Section 73.3555(b)(1)(ii) provides that an entity may own, operate, or control two television stations licensed in the same DMA if "at least one of the stations is not ranked among the top four stations in the DMA." *See also 2018 Quadrennial Review Order*, 38 FCC Rcd at 12820, para. 67 (retaining as a condition of common ownership that "a broadcaster cannot acquire two stations ranked in the top four in audience share in a market—known as the Top-Four Prohibition—unless, at the request of an applicant, the Commission finds that such an acquisition serves the public interest, convenience, and necessity on a case-by-case basis").

[322] *Zimmer Radio*, 145 F.4th at 839-40.

[323] 47 CFR § 73.3555 (b)(1)(i). That rule provides in relevant part:

> (b) Local television multiple ownership rule.
>
> (1) An entity may directly or indirectly own, operate, or control two television stations licensed in the same Designated Market Area (DMA) (as determined by Nielsen Media Research or any successor entity) if:
>
> (i) *The digital noise limited service contours of the stations (computed in accordance with §73.619(c)) do not overlap; or*

Four Prohibition effectively made common ownership of two Top-Four stations permissible regardless of any contour overlap, subsection (b)(1)(i) became unnecessary. Although subsection (b)(1)(ii) is no longer in effect and subsection (b)(1)(i) is no longer relevant, they remain in the text of the rule as published in the Code of Federal Regulations.[324]

99. Accordingly, we take this opportunity to remove all unnecessary and ineffective language from the Local Television Ownership Rule.[325] In addition to the contour-overlap provision, we remove

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> (ii) At the time the application to acquire or construct the station(s) is filed, at least one of the stations is not ranked among the top four stations in the DMA . . .

47 CFR § 73.3555(b)(1)(i) (emphasis added).

Subsection (b)(1)(i) ends in "or" and was meant to be read in conjunction with subsection (b)(1)(ii). *See generally Gray-Marquee Order*, 39 FCC Rcd at 6601, para. 2 (acknowledging that two stations in the same Cheyenne-Scottsbluff DMA were commonly owned because their noise-limited service contours did not overlap); *Consent to Assign Certain Licenses from Shareholders of Media General, Inc. and Shareholders of LIN Media, LLC to Post-Merger Shareholders of Media General, Inc.*, Memorandum Opinion and Order, 29 FCC Rcd 14798, 14800, para. 5 n.10 (MB 2014) (noting that stations could be commonly owned in the Albuquerque-Santa Fe DMA because of the lack of signal overlap); *2006 Quadrennial Review Order*, 23 FCC Rcd at 2068, para. 104 (stating that the contour overlap provision would enable station owners to build or purchase additional stations beyond the reach of their signals without regard to the Top-Four Prohibition); *MG Broadcasting, LLC, as E.A.T. C/O Alan C. Campbell, Esq. Sunflower Broadcasting, Inc. C/O Jack N. Goodman, Esq.*, Letter Order, DA 06-1914, at 1-2 (MB Sept. 22, 2006) ("[S]tations in a single DMA may be commonly owned, without the need for a waiver, if their Grade B contours do not overlap."). That is, under the prior rule, an entity was allowed to own two stations in the same DMA, but if the service contours of the two stations overlapped, then pursuant to the subsequent provision (b)(1)(ii), at least one of the stations must not be ranked among the top four stations in the DMA. *See id.* The Commission never intended to prohibit *all* two-station combinations with overlapping service contours—just those involving two stations among the top four stations in the DMA. *See id.* Thus, if we were to simply delete (b)(1)(ii)—the only provision that was vacated by the Eighth Circuit—that would rewrite the rule such that common ownership of two television stations would only be permitted if their contours do not overlap, an outcome resulting in the tightening of the rule clearly not intended by the Commission. *See supra* note 25 (finding persuasive the comments in the record arguing that 202(h) is best read as having a deregulatory purpose that does not allow for tightening regulations).

[324] We note that these subsections have not been applied since the *Zimmer Radio* decision. *See Sinclair-Cunningham-Roberts Letter Order* at 475-76 ("Indeed, the Two-Station Limit, without restriction, now *is* the Local Television Ownership Rule.") (emphasis in original).

[325] Although the *2022 Quadrennial Review NPRM* did not seek comment specifically on eliminating this language, we find that notice and comment are unnecessary because we are removing regulatory language in response to a court's decision invalidating that rule, as well as regulatory language that has no remaining purpose or effect as a result of the vacatur and is therefore obsolete. 5 U.S.C. § 553(b). *See also EME Homer City Generation LP v. EPA*, 795 F.3d 118, 134 (D.C. Cir. 2015) (affirming agency good cause determination that notice and comment were unnecessary when a court order invalidated a rule and "commentators could not have said anything during a notice and comment period that would have changed that fact"); *American Federation of Government Employees, AFL-CIO v. Block*, 655 F.2d 1153, 1157 (D.C. Cir. 1981) (affirming the use of the "good cause" exception when rulemaking without notice and comment is "a reasonable and perhaps inevitable response to" a "court order"). The Commission has previously issued similar orders in response to court orders in the media ownership proceedings and other contexts. *See, e.g.*, *2014 Quadrennial Regulatory Review – Review of the Commission's Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996*, MB Docket Nos. 14-50 et al., Order, 34 FCC Rcd 12360 (MB 2019) (reinstating media ownership rules after the Commission's action to repeal those rules was vacated by the Third Circuit); *2014 Quadrennial Regulatory Review – Review of the Commission's Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996*, MB Docket Nos. 14-50 et al., Order, 36 FCC Rcd 9354 (MB 2021) (eliminating the previously reinstated rules after the Supreme Court upheld the Commission's repeal and reversed the Third Circuit); *Implementation of the Commercial Spectrum Enhancement Act and Modernization of the Commission's Competitive Bidding Rules and Procedures*, WT Docket No. 05-211, Order, 27 FCC Rcd 908 (2012) (removing two modifications made to the FCC's competitive bidding rules without notice and comment in accordance with the Third Circuit's mandate and dismissing two pending petitions for reconsideration that became moot as a result of the

the text of Note 11 as well. We emphasize that our action here with respect to Note 11 is purely ministerial in removing unnecessary text and should not be read as precluding the Commission from revisiting the use of network affiliations, or any other means, to circumvent the Commission's oversight of broadcast licensees. We reiterate the Commission's authority over affiliation agreements and maintain our policy of ensuring that affiliation agreements do not compromise the public interest obligations of television stations safeguarded by our regulatory framework and policies.[326] We also remove the text of Note 7 since, as discussed below, we incorporate the considerations embodied in the failed/failing station waiver test into the case-by-case approach we adopt in this Report and Order.[327] Section 73.3555(b)(1) will simply provide that "[a]n entity may directly or indirectly own, operate, or control two television stations licensed in the same Designated Market Area (DMA) (as determined by Nielsen Media Research or any successor entity)."

C. Dual Network Rule

1. Introduction

100. We find that the Dual Network Rule, which effectively prohibits a merger between the Big Four broadcast networks (ABC, CBS, FOX, and NBC),[328] remains necessary in the public interest to promote localism. Regarding localism, we find that the Dual Network Rule promotes a balance between the competing interests of the Big Four broadcast networks and the local broadcast affiliates by supporting the bargaining leverage of local affiliates. As previously recognized by the Commission, the economic interests of the networks and of the local affiliates are not always aligned.[329] While the major networks are economically motivated to ensure that their programming appeals to a nationwide audience and is carried broadly by affiliates, local affiliates are motivated to attract viewers and advertising dollars by tailoring their programming to local audiences. Also, unlike the major networks, broadcasters hold the unique responsibility of serving the information and programming needs of their local communities pursuant to their public interest obligations prescribed by the Communications Act and the terms of their FCC-issued licenses. Accordingly, the Dual Network Rule serves to assist local broadcasters in fulfilling their public interest obligations by protecting the stations' leverage, which they can use to promote local interests in the context of their affiliation relationship with the Big Four broadcast networks. Regarding competition, we find that the Big Four broadcast networks today compete with online video providers and other digital platforms for viewership and advertising revenues. Notwithstanding such competitive realities, we find that the Dual Network Rule continues to promote competition among the Big Four broadcast networks, even as those networks increasingly compete with non-broadcast sources of video programming.

2. Background

101. The Dual Network Rule states: "A television broadcast station may affiliate with a person or entity that maintains two or more networks of television broadcast stations unless such dual or multiple networks are composed of two or more persons or entities that, on February 8, 1996, were 'networks' as

court's decision). Because deleting this language is necessitated by the *Zimmer Radio* decision for the reasons described above, we believe the good cause exception applies here.

[326] *See generally* 47 CFR § 73.658 (providing the Commission's rules governing affiliation agreements and network program practices).

[327] Note 7 provides that the Commission will entertain applications to waive the Local Television Ownership Rule on a case-by-case basis if certain criteria are met. 47 CFR § 73.3555, Note 7. Although the *2022 Quadrennial Review NPRM* did not seek comment specifically on Note 7, the notice sought comment on "all aspects of the [Local Television Ownership Rule's] implementation." *2022 Quadrennial Review NPRM*, 40 FCC Rcd at 7980, para. 24.

[328] *See* 47 CFR § 73.658(g).

[329] *2018 Quadrennial Review Order*, 38 FCC Rcd at 12853, para. 133.

defined in § 73.3613(a)(1) of the Commission's regulations (that is, ABC, CBS, Fox, and NBC)."[330] Therefore, the rule allows common ownership of multiple broadcast networks, but effectively prohibits a merger between or among the Big Four broadcast networks, ABC, CBS, FOX, and NBC. The Dual Network Rule has existed in some form since the 1940s, and the current version of the rule has remained unchanged since 2001.[331]

102. In the *2022 Quadrennial Review NPRM*, the Commission sought comment on whether the Dual Network Rule remained necessary in the public interest to protect competition and localism as the Commission previously held in its *2018 Quadrennial Review Order*.[332] In regard to competition, the Commission generally sought comment on how the Big Four networks' participation in the marketplace may have changed by: (1) aggregating and distributing a collection of programming intended for large, national audiences; and/or (2) selling blocks of advertising time to entities wishing to target ads to large, national audiences.[333] The *2022 Quadrennial Review NPRM* sought feedback on the extent of the Big Four broadcast networks' dominance in these markets and its implication for consumers, as well as metrics that most accurately reflect the current state of competition.[334] The *2022 Quadrennial Review NPRM* asked whether the Big Four broadcast networks could still be considered a unique and discrete group in the national advertising market, and it sought comment on how the growth of online video providers has altered the competitive landscape for both programming and national advertising.[335]

103. The *2022 Quadrennial Review NPRM* additionally sought comment on whether the Dual Network Rule remained necessary to advance the Commission's longstanding policy goal of localism, including how the rule might affect the bargaining leverage of local affiliates in negotiations with the Big Four broadcast networks.[336] Specifically, the notice requested feedback on the extent to which the rule supports local affiliates in seeking to influence network programming decisions, independently serving the best interests of their local communities, and utilizing their existing leverage in any disagreement with a network, such as a negotiating impasse regarding terms of affiliation.[337] Additionally, the *2022 Quadrennial Review NPRM* asked how marketplace developments, such as the rise of reverse

[330] *See* 47 CFR § 73.658(g). Section 73.3613(a)(1) in turn defines "network" as "any person, entity, or corporation which offers an interconnected program service on a regular basis for 15 or more hours per week to at least 25 affiliated television licensees in 10 or more states; and/or any person, entity, or corporation controlling, controlled by, or under common control with such person, entity or corporation." 47 CFR § 73.3613(a)(1).

[331] In the Telecommunications Act of 1996, Congress permitted common ownership of two or more broadcast networks, but not a merger among ABC, CBS, FOX or NBC, or between one of these networks and the two largest emerging networks, UPN or WB. 1996 Act, § 202(e); *see also* S. Rep. No. 230, 104th Cong., 2d Sess. at 163; *2002 Biennial Review Order*, 18 FCC Rcd 13620, 13849, para. 594. In 2001, after concluding in its 1998 Biennial Review that the rule as applied to UPN and WB might no longer be in the public interest (*1998 Biennial Review Report*, 15 FCC Rcd at 11098, para. 77), the Commission further modified the Dual Network Rule to permit a Big Four network to merge with or acquire UPN or WB. *Amendment of Section 73.658(g) of the Commission's Rules—The Dual Network Rule*, Report and Order, 16 FCC Rcd 11114 (2001); *see also 2002 Biennial Review Order*, 18 FCC Rcd at 13848, para. 594.

[332] *2022 Quadrennial Review NPRM*, 40 FCC Rcd at 7984-87, paras. 34-44.

[333] *Id.* at 7984, para. 34.

[334] *Id.* at 7984, para. 35.

[335] *Id.* at 7984-85, paras. 37-38.

[336] *Id.* at 7986-87, para. 42.

[337] *Id.*

compensation fees[338] and online video providers, have altered the network-affiliate relationship and the value of affiliation, and what impact this has had on consumers.[339]

104. In the record of this proceeding, commenters disagree on whether the rule remains necessary in the public interest.[340] While the majority of commenters support retention of the rule without modification,[341] three commenters argue for a full repeal of the rule.[342] Notably, no commenter argues in favor of modifying or expanding the list of networks that should be subject to the Dual Network Rule.

3. Discussion

105. We find that the Dual Network Rule remains necessary in the public interest to promote localism.[343] Despite marketplace changes that have undoubtedly altered the competitive and strategic positions of the Big Four broadcast networks and their local affiliates, the rule continues to guard against a further shift in the balance of bargaining power between the networks and affiliates in a manner that would favor the networks. Below, we explain that, despite such marketplace changes, the rule continues to serve a beneficial role for competition among the Big Four broadcast networks, even as those networks compete with non-broadcast sources of video programming. Moreover, this review, and our decision to preserve the rule, aligns with the Commission's broader goal of empowering local broadcasters.[344]

106. *Localism.* For decades, the Big Four broadcast networks and their local affiliates have worked closely in tandem, despite these two groups maintaining fundamentally different economic incentives and business obligations.[345] For the Big Four broadcast networks, their objectives include the production of programming for the largest audience possible and maximization of national advertising revenues.[346] By contrast, local broadcasters, who are uniquely entrusted to serve their local communities,

[338] A reverse compensation fee, also known as a reverse retransmission fee, is a sum of money paid by an affiliated local station to its affiliated network. The fee is usually tied to the retransmission consent payments that a station receives from MVPDs. *See 2022 Communications Marketplace Report*, GN Docket No. 22-203, Report, 37 FCC Rcd 15514, 15678, para. 268 (OEA 2022).

[339] *2022 Quadrennial Review NPRM*, 40 FCC Rcd at 7986-87, paras. 42-43.

[340] The record contains ten comments and five reply comments addressing the Dual Network Rule in response to the *2022 Quadrennial Review NPRM*. The record contains a total of two comments and one reply comment addressing the rule in response to the *2022 Quadrennial Review PN*.

[341] *See* ATVA NPRM Comments at 10-12; DIRECTV NPRM Comments at 28-29; Free Press NPRM Comments at 41-43; Gray NPRM Comments at 28-30; NABOB NPRM Comments at 26-28; Network Affiliates NPRM Comments at 12-18; Newsmax NPRM Comments at 17-18; SAG-AFTRA NPRM Comments at 8-9; CMG NPRM Reply at 6; DIRECTV NPRM Reply at 11; Media and Democracy Project NPRM Reply at 1 (MDP); Network Affiliates NPRM Reply at 14-15.

[342] *See* Fox NPRM Comments at 4-18; ICLE NPRM Comments at 17-21; Fox NPRM Reply at 1-11; Fox Corporation, NBCUniversal Media, and Paramount Global Public Notice Comments at 6 (Network Commenters).

[343] *2018 Quadrennial Review Order*, 38 FCC Rcd at 12853-55.

[344] As recognized by Network Affiliates, the Media Bureau has initiated a proceeding to address the Commission's goal of empowering local broadcasters to fulfill their public interest duties as license holders. *See* Network Affiliates NPRM Comments at 15-16 (citing to *Empowering Local Broadcast TV Stations to Meet Their Public Interest Obligations: Exploring Market Dynamics Between National Programmers and Their Affiliates*, MB Docket No. 25-322, Public Notice, 40 FCC Rcd 9062 (MB 2025) (*Local Broadcasting Public Notice*)).

[345] As recounted in the *2022 Quadrennial Review NPRM*, over time through the affiliation model, the Big Four networks have benefitted by obtaining wide-scale delivery of their programming as network affiliates have benefitted by obtaining access to high-quality network programming. *2022 Quadrennial Review NPRM*, 40 FCC Rcd at 7986, para. 41.

[346] Indeed, the Commission has recognized this longstanding strategic priority of the Big Four networks. *See, e.g.*, *2018 Quadrennial Review Order*, 38 FCC Rcd at 12853-54, para. 133 (highlighting the differing incentives of

produce local news and other programming to meet local audiences' needs and preferences.[347] Therefore, while local affiliates typically seek the most popular programming that a major network has to offer, an affiliate may also, at times, wish to offer input to the network regarding the network's programming so that it can better serve the specific needs and interests of the affiliate's local community.[348] In addition, affiliates may find it necessary in the public interest to preempt network programming with content deemed more suitable for viewers in their local communities.[349] Keeping in mind these differing incentives and interests, and the evidence of a growing imbalance in the network-affiliate relationship, we agree with commenters who contend that the Dual Network Rule remains necessary to support localism[350] and does so by continuing to play a crucial role in keeping the network-affiliate balance from tipping further in favor of the networks.[351] Accordingly, we reject other commenters' arguments, which question whether the rule continues to provide localism benefits in the current marketplace.[352] While we accept ICLE and Fox's observations that the marketplace for video programming has changed in remarkable ways since the Dual Network Rule was adopted,[353] as described below, we concur with Network Affiliates that these changes only underscore the importance of retaining the rule.[354]

107. Despite the rapid consumer and technological changes in the marketplace for video programming, we observe that the major networks and local stations continue to routinely reach

affiliates and the Big Four networks and the networks' priority of "design[ing] their programming to reach the largest audience possible as well as maximize [national] advertising revenue.").

[347] The 2022 Communications Marketplace Report notes that "[d]espite COVID-related budget cuts, in 2020, 1,116 television stations aired local news." *See 2022 Communications Marketplace Report*, 37 FCC Rcd at 15678, para. 269. Gray highlights this unique incentive of local broadcasters, an incentive that notably distinguishes local broadcasters from other video programming providers. *See* Gray NPRM Comments at 8 (stating that: "Unlike national networks . . . local broadcasters operate in and for their local communities. . . . [Local stations'] physical and journalistic proximity to the audience fosters greater trust, accountability, and relevance than national or algorithm-driven platforms can provide."). The Commission has also consistently recognized such incentive for local broadcasters in its previous broadcast ownership reviews. *2018 Quadrennial Review NPRM*, 33 FCC Rcd at 12142-43, para. 85; *see also 2002 Biennial Review Order*, 18 FCC Rcd at 13832, 13842, 13855, paras. 546-47, 578, 612-13.

[348] *See generally* Network Affiliates NPRM Comments at 12 (arguing that the ability of affiliates to negotiate terms conducive to a balance in the network-affiliate relationship networks is in the public interest as it permits "nationwide distribution of popular entertainment and sports programming while preserving local stations' independence to serve the needs of their local audiences").

[349] *See, e.g.*, Newsmax NPRM Comments at 18 (recognizing the need of station affiliates "to preempt network programming to meet local needs"); *see also* Gray NPRM Comments at 29 (acknowledging the value of preemption of national programming, which it argues would be threatened by elimination of the Dual Network Rule).

[350] *See* ATVA NPRM Comments at 10-12; Network Affiliates NPRM Comments at 12-13, 15-16; Gray NPRM Comments at 28-30; SAG-AFTRA NPRM Comments at 3, 8-9; CMG NPRM Reply at 6; MDP NPRM Reply at 1.

[351] We agree with Network Affiliates that "[a]llowing the Big [Four] [n]etworks to consolidate . . . would only further exacerbate the growing imbalance between the [n]etworks and their [a]ffiliates, making high-quality local service (particularly expensive local news programming) harder to provide." Network Affiliates NPRM Comments at 15-16.

[352] ICLE NPRM Comments at 19-20; Fox NPRM Comments at 11-13.

[353] *See* ICLE NPRM Comments at 19-20 (highlighting major changes in the marketplace for video programming and citing these changes as sufficient justification for eliminating the rule); *see also* Fox NPRM Comments at 5-11 (recounting the significant changes that have recently occurred in the competitive landscape for video programming and national advertising).

[354] *See* Network Affiliates NPRM Comments at 12-13 (stating that "[w]hile the competitive landscape undoubtedly has changed, none of those changes has reduced the importance of the Dual Network Rule to protecting and promoting localism in communities across the country.").

agreements for affiliation. We find that the distribution system provided by local affiliates still plays an important role in helping the major networks maintain and grow their audiences and advertising shares, especially as they compete today more vigorously with non-broadcast sources for rights to sports programming and other marquee events.[355] Network affiliation also remains a tested and effective strategy overall for stations to secure viewership and advertising revenues, in addition to building and maintaining coveted brand recognition with local audiences.[356] S&P Global data indicate that stations affiliated with the Big Four broadcast networks obtain substantially more advertising and retransmission consent revenue than those not affiliated with the Big Four broadcast networks.[357] These data confirm that affiliation is often a crucial factor undergirding a station's ability to generate sufficient revenues to fund local operations or otherwise fulfill its public interest obligations. Accordingly, we recognize that it is this value of affiliation to local affiliates that gives the Big Four broadcast networks substantial leverage in the network-affiliate relationship.

108. Network Affiliates claim that the Big Four broadcast networks are undercutting them in ways that harm localism, including through the networks' focus on direct-to-consumer (DTC) services,[358] control over carriage negotiations with virtual MVPDs (vMVPDs),[359] increasing demands for reverse compensation fees, and imposition of less favorable terms of affiliation.[360] The four DTC services associated with the Big Four networks are NBCUniversal's Peacock, Paramount-Skydance's Paramount+, Disney Corporation's Disney+, and Fox Corporation's Fox One. The emergence of these DTC platforms began with the launch of Disney+ in November 2019, with Fox One recently following suit in August 2025.[361] These DTC services typically offer multiple paid or ad-supported tier options and are sometimes bundled with other video programming subscriptions or broadband plans, further contributing to their strong subscriber growth.[362] As highlighted by some commenters, the rise of DTC platforms has

[355] We reject arguments that one or more of the Big Four broadcast networks may be forced to exit the broadcasting business altogether if we do not eliminate the rule. *See* Fox NPRM Comments at 13-14. Notably, Fox describes the rule as restricting one possible business strategy (i.e., a merger of networks) that a network could resort to "if the evolving media marketplace is someday no longer able to support the [Big Four broadcast networks] as independent entities producing nationwide programming." *Id.* at 14. The concern Fox identifies is based on a speculative prediction about a future marketplace. To the extent such circumstances one day come to pass, the Commission is well equipped through the quadrennial process to reassess the rule in relation to the marketplace at that time.

[356] NABOB asserts that elimination of the Dual Network Rule could have a deleterious effect on the unaffiliated smaller stations, which could be "squeezed out of the local advertising market" given that "[t]he Big Four networks already control the most significant entertainment and sports programming that attracts audiences and advertisers." NABOB does not explain how this "squeeze out" would occur. Nevertheless, because we retain the rule for the separate reasons described herein, any harm resulting from elimination of the rule as forecast by NABOB would be prevented. NABOB NPRM Comments at 26.

[357] In 2025, average ad revenue per TV household was $25.86 for Big Four affiliates and $3.51 for non-Big Four stations while average retransmission consent revenue per TV household was $26.13 for Big Four affiliates and $1.41 for non-Big Four stations. S&P Global, *TV Stations by Market and Affiliation* (last accessed Apr. 24, 2026).

[358] DTC services are a type of online subscription video service that distributes video programming to consumers directly over the Internet, rather than as a component of an MVPD subscription.

[359] vMVPDs offer consumers access to a package of linear channels via the Internet. Today, vMVPDs often include local broadcast channels and a wide variety of cable networks. Some examples of vMVPDs include YouTube TV, Hulu + Live TV, DIRECTV Stream, Fubo TV, and Sling.

[360] Network Affiliates NPRM Comments at 14-15.

[361] Alison Foreman, *Disney+ reveals launch date and pricing for new streaming service*, Mashable (April 11, 2019), https://mashable.com/article/disney-plus-launch-date-pricing; Caitlin Huston, *How Big Is the Audience for Fox's New Streamer? They're Not Exactly Sure Yet*, Hollywood Reporter (Aug. 20, 2025), https://www.hollywoodreporter.com/business/business-news/fox-one-launch-1236348033/.

[362] Peacock ended its fiscal year in 2025 with 44 million paid subscribers. Lillian Rizzo, *Comcast posts mixed quarter as broadband pressures weigh on business* (Jan. 29, 2026), https://www.cnbc.com/

increased the networks' bargaining power vis-à-vis local affiliates by reducing the networks' dependence on local affiliates to achieve their goal of nationwide distribution.[363] Rather, in lieu of distribution through a network of local market affiliates, today the Big Four broadcast networks can secure such distribution across the country on one platform—their own.

109. In addition to reducing the networks' reliance on their affiliates, we share the concerns of Network Affiliates and other commenters that the networks' shift to DTC distribution has also harmed local affiliates by undercutting their once-exclusive right to distribute valuable network programming.[364] Historically, local affiliates served as the exclusive home for a Big Four broadcast network's programming. Affiliates' access to the networks' marquee programming, and their exclusivity in distributing that programming to local viewers, allowed local affiliates to generate revenue and leverage network programming to fund and promote their own local programming (e.g., through a network lead-in to the late local news). Recently, however, the Big Four broadcast networks (through their parent companies) have implemented strategies to produce high-value original content exclusively for their DTC services, move more of the networks' content to their DTC services, and simulcast previously exclusive broadcast content on DTC services.[365] We agree with Fox that the networks' strategies are a response to other changes in the video programming marketplace that have forced the networks to compete with video services offered by the likes of tech-media giants, such as Netflix, Amazon, and Apple.[366] However, whereas local affiliates had once provided the essential medium for nationwide distribution of the major networks' broadly-appealing content, the major networks' pivot to DTC services, and their promotion of popular content through these channels, has served to disrupt a once-stabilizing feature of the network-affiliate balance in a manner detrimental to the affiliates.[367]

2026/01/29/comcast-cmcsa-earnings-q4-2025.html. Paramount+ rounded out its fiscal year of 2025 with 78.9 million paid subscribers. Erik Gruenwedel, *Paramount+ Nears 80 Million Subs, Integrating Pluto TV, BET+ Into Platform* (May 4, 2026), https://www.mediaplaynews.com/paramount-plus-nears-80-million-subs-integrating-pluto-tv-bet-plus-into-platform/. Disney+ reported 131.6 million subscribers at the end of its 2025 fiscal year. Todd Spangler, *Disney+ Adds 3.8 Million Subscribers, Hulu Packs on 8.6 Million Amid Kimmel Controversy and ESPN Unlimited Bundle Promo in September Quarter* (Nov. 13, 2025), https://variety.com/2025/tv/news/disney-plus-hulu-subscriber-gains-kimmel-controversy-1236580606/. Fox One, as of October 30, 2025, reported drawing 2.3 million subscribers to its platform in its first couple of months since launching. Dade Hayes, *Fox One Off To A Strong Start With 2.3M Subscribers, Antenna Says; Amazon A Key Driver* (Nov. 25, 2025), https://deadline.com/2025/11/fox-one-streaming-subscribers-amazon-antenna-1236628324/.

[363] *See* Network Affiliates NPRM Comments at 15 (recognizing the continued rise of vMVPDs and DTC platforms, which provide the Big Four broadcast networks other avenues of broadly distributing their network programming). Even ICLE, which advocates for elimination of the rule, admits that the Big Four broadcast networks' ability today to "bypass their affiliates entirely to distribute content . . . has shifted bargaining power in the networks' favor." ICLE NPRM Comments at 20.

[364] Network Affiliates NPRM Comments at 13-15; DIRECTV NPRM Comments at 11; MDP NPRM Reply at 1.

[365] *See* Network Affiliates NPRM Comments at 17 (citing as an example Paramount's *Landman* having only been available in recent years on Paramount+). We also observe how other networks have offered programming exclusively on their associated DTC platforms, such as Peacock's exclusive NFL regular season games since 2023 and Disney's exclusive Star Wars series *Ahsoka* on Disney+.

[366] Fox NPRM Reply at 8-9.

[367] *See* Network Affiliates NPRM Comments at 15 (highlighting how two degrees of affiliate independence—control over the scope and economics of programming distribution—have been substantially eroded). While Fox and ICLE focus on presenting the business case for networks' DTC strategies and for possible consolidation, neither commenter meaningfully considers how the changes already underway have impacted local affiliates' right to programming exclusivity, nor does either commenter present an argument for how the rule's elimination would constructively address existing underlying fissures in the network-affiliate balance. Fox NPRM Comments at 8; ICLE NPRM Comments at 20.

110. We also find that the Big Four broadcast networks' approach of negotiating on behalf of local affiliates for carriage of those affiliates' signals on vMVPDs has further contributed to the negotiating imbalance between the major networks and local affiliates by making the affiliates more reliant on the networks to secure distribution of the local station's programming. Pursuant to the framework established by law, local stations engage in negotiations with MVPDs for retransmission of their stations' programming over cable or satellite systems.[368] As the Commission has previously found, the retransmission consent fees that stations, or the owner of a group of stations, directly negotiate and collect from MVPDs make up an essential source of their revenues.[369] Meanwhile, the vMVPD carriage negotiation process has played out quite differently from that of retransmission consent negotiations. According to Network Affiliates, since the rise of vMVPD services, the Big Four broadcast networks have made it a priority to control nearly every element of the negotiation with vMVPDs, including the underlying economics, for carriage of the local affiliates' local news and programming.[370] As a part of this negotiating tactic, the Big Four broadcast networks afford their affiliates an abbreviated window for participating in negotiations via "opt-in" terms established by the networks. In the view of the affiliate groups, however, these "opt-in" terms really give them no choice, since, if a dispute arises between a local affiliate and network over "opt-in" provision terms, the networks can either enter into another affiliation relationship or simply disregard the local affiliates' concerns and provide the vMVPD with a "white feed" or "national feed" that contains network programming but omits the affiliate's local news and other programming.[371]

111. Moreover, as Network Affiliates argue, the local affiliates in most cases "have no practical ability to negotiate directly with vMVPDs for genuinely fair, market-based compensation for distribution of their local programming."[372] Making matters worse, network-negotiated carriage deals have at times resulted in disputes and temporary blackouts, further complicating local affiliates' ability to reach local viewers.[373] The economics of these arrangements are also less favorable to local affiliates. Even when a carriage deal is secured by a network, fee splits from vMVPD carriage agreements typically favor the network to a greater extent than retransmission agreements with MVPDs do.[374] As audiences migrate from traditional MVPDs toward vMVPDs and other online video services, local affiliates are left in an increasingly vulnerable position in which they have little choice but to sacrifice revenues and abide by unfavorable terms in order to keep reaching many local viewers, a problem that continually grows worse as MVPD subscribers switch to vMVPD services.[375] Taken as a whole, we view these developments as contributing to the growing imbalance between the Big Four

[368] *See* 47 U.S.C. § 325(b)(3)(C)(ii)-(iii); 47 CFR § 76.65.

[369] *2018 Quadrennial Review Order*, 38 FCC Rcd at 12824, 12830, paras. 75, 87.

[370] Network Affiliates NPRM Comments at 14-15.

[371] *See* Network Affiliates NPRM Comments at 5 (articulating the group's opposition to the "opt-in" paradigm in various Commission proceedings for close to a decade).

[372] Network Affiliates Public Notice Reply at 13-14.

[373] *See* Network Affiliates NPRM Comments at 15 (citing Disney's carriage dispute with YouTube TV in 2025 and NBC's dispute with Fubo, both resulting in the loss of local affiliates' programming on these platforms).

[374] S&P Global estimates that affiliates keep approximately 47% of total retransmission consent revenue from MVPDs, paying 53% in reverse compensation payments. In carriage deals with vMVPDs, S&P Global estimates that affiliates keep 40% of vMVPD carriage revenue with 60% going to the network. *Justin Nielson*, S&P Global, *Retrans projections 2025-30: Mitigating sub declines with rate increases* (July 29, 2025) (last accessed May 19, 2026).

[375] *See* Network Affiliates NPRM Comments at 14-15 (highlighting how "[i]n addition to controlling Affiliate access to their own direct-to-consumer streaming platforms, the Big 4 Networks also control distribution of local Affiliate signals on online multichannel video programming services like YouTube TV, Hulu + Live TV, FuboTV, and DIRECTV Stream" and how such an arrangement "imposes an array of costs on local Affiliates, monetary and otherwise.").

broadcast networks and local affiliates and undermining the ability of the affiliates to serve their local communities.

112. In addition to the pressures on local affiliates imposed by the growth of vMVPDs, the Big Four broadcast networks today are imposing costly affiliation fees, also known as "reverse compensation fees," in exchange for granting the affiliate a right to air popular network programming.[376] Network Affiliates argue that affiliation agreements in recent years have become increasingly one-sided in favor of the networks,[377] most notably because the networks now extract vast financial sums, typically as a portion of the affiliates' retransmission consent revenues.[378] In contrast, before the 2010s, the major networks used to either compensate local affiliates for distributing the networks' programming, or rather would at least provide their programming for free or in exchange for advertising availabilities.[379] However, alongside the development of retransmission consent fees, that model has reversed, and networks now require reverse compensation payments from affiliates in exchange for receiving the benefits of network affiliation.

113. Reverse compensation fees have proven highly disruptive to the network-affiliate balance. For example, recent market estimates reveal that reverse compensation fees, on average, consume about half of affiliates' retransmission consent revenues.[380] S&P Global has estimated that affiliates on average keep 47% of retransmission consent revenues and pay 53% as reverse compensation.[381] As Network Affiliates recognize, such fees, and their seemingly "ever-increasing" nature, are evidence of the changes in the network-affiliate dynamic over time and represent a growing challenge for the affiliates.[382] As Network Affiliates point out, reverse compensation fees have effectively allowed the Big Four broadcast networks to "place the vast majority of the downside risk of declining retransmission revenues on local Affiliates . . ."[383] Moreover, we agree with Network Affiliates that eliminating the Dual Network Rule would run the risk of increasing the rates of reverse compensation fees, leaving local affiliates with less capital to invest in their local operations, including crucial areas like local news and weather/emergency coverage.

114. We conclude that retaining the Dual Network Rule is in the public interest because it promotes localism by tempering network leverage over affiliates both within and outside of negotiations for affiliation.[384] In light of developments in the network-affiliate relationship, commenters, including Gray and Network Affiliates, describe the difficulty local affiliates face today in negotiating favorable terms in affiliation agreements with the Big Four networks, with Gray even describing its terms as

[376] Network Affiliates NPRM Comments at 16-17.

[377] *Id.* at 13; Gray NPRM Comments at 28-29.

[378] Network Affiliates NPRM Comments at 16.

[379] *2018 Quadrennial Review Order*, 38 FCC Rcd at 12854. *See* Network Affiliates NPRM Comments at 16 (stating "Affiliation fees, which many years ago flowed from Networks to Affiliates, now flow exclusively in the other direction."). S&P Global estimates that affiliates paid about 1% of retransmission consent fees to networks in reverse compensation in 2010 and that share increased to 17% in 2011. It has been increasing ever since. *Justin Nielson*, S&P Global, *Retrans projections 2025-30: Mitigating sub declines with rate increases* (July 29, 2025) (last accessed May 19, 2026).

[380] *2024 Communications Marketplace Report*, 39 FCC Rcd at 14284, para. 263.

[381] *Justin Nielson*, S&P Global, *Retrans projections 2025-30: Mitigating sub declines with rate increases* (July 29, 2025) (last accessed May 19, 2026).

[382] Network Affiliates NPRM Comments at 16.

[383] *Id.* at 16.

[384] *See id.* at 13 (arguing that the Dual Network Rule "helps to moderate the Network-Affiliate imbalance.").

"onerous."[385] Such agreements can dictate the latitude and input that the local affiliates have with regard to the airing of network programming versus programming preferred by the local affiliate.[386] As previously mentioned, these agreements also stipulate the amount of money that flows from the affiliate back to the network in the form of reverse compensation fees, an aspect of the negotiation that directly impacts the resources available to a station to fund its local mission.[387] Among the other provisions that are included in many of today's deals are: penalties for preempting programming beyond the scope of section 73.658(e)(1)-(2) of the Commission's rules ("preemption baskets"); the demarcation of spot advertising splits for station-sourced, syndicated, and network-sourced programming;[388] rights to network programming exclusivity for marquee network programming; stipulations to commit to newsgathering initiatives; and stipulations regarding must-run promos, scripts, and programming.[389]

115. Given how frequently affiliation agreements are subject to renegotiation and renewal, we find that the provisions in these agreements hold influence over local affiliates, both economically and in terms of their editorial priorities.[390] It makes sense, as Network Affiliates and Gray observe, that imbalances in the network-affiliate relationship ultimately show up in the terms of affiliation agreements.[391] While Network Affiliates and Fox disagree about the extent of the limitations on the affiliates,[392] broader questions about the nature of network-affiliate agreements, and the effects of particular types of provisions, go beyond the scope of our structural rule review herein, and are under

[385] Gray NPRM Comments at 27-28; Network Affiliates NPRM Comments at 11. As recognized by Fox, in recent years, some stations have decided to end their partnerships with their respective affiliated networks and become independent. Fox NPRM Comments at 12. However, at least in the case of WPLG, the station's decision to become independent was largely motivated by disagreements in affiliation agreement negotiations with ABC regarding programming value and exclusivity rights, reverse compensation fee increases, and must-carry provisions. Fox fails to mention that situations of affiliated stations becoming independent are relatively unusual. *See* Amos Barshad, *Unaffiliated*, Columbia Journalism Review (Jan. 13, 2026), https://www.cjr.org/analysis/unaffiliated-local-tv-stations-leaving-national-affiliates.php (providing only a small handful of examples in which affiliates decide to become independent).

[386] *See* Gray NPRM Comments at 28-29 (highlighting how affiliate agreement terms can be manipulated by the major networks so to effectively "narrow[] affiliates' ability to preempt nationwide programming in favor of local content" and to raise network affiliation fees).

[387] *See* Network Affiliates NPRM Comments at 16 (asserting that affiliation fees are consuming "ever larger chunks of local stations' revenues" such that "local stations have fewer resources to dedicate to local service, particularly local news production."); *see also* Jon Lafayette, *Affiliates Seek To Change How They Pay Networks for Programming* (Mar. 1, 2024), https://www.nexttv.com/news/affiliates-seek-to-change-how-they-pay-networks-for-programming (highlighting how, as a cost-savings measure, local affiliates are increasingly pushing for variable payment models, as opposed to fixed-fee models, in affiliate agreements).

[388] *2024 Communications Marketplace Report*, 39 FCC Rcd at 14283, paras. 260-61.

[389] *See generally* Congressional Research Service, Broadcast TV Networks and Affiliates: FCC Oversight and Marketplace Dynamics (Aug. 24, 2026), https://www.congress.gov/crs_external_products/R/PDF/R49309/R49309.2.pdf.

[390] *See* Network Affiliates NPRM Comments at 16 (arguing how the affiliate fees that local affiliates pay to the networks have become like an "economic stranglehold" affecting their day-to-day operations).

[391] *See* Gray NPRM Comments at 28-29 (articulating how outsized bargaining power of the networks translates to more onerous terms in affiliation agreements); *see also* Network Affiliates NPRM Comments at 13 (acknowledging how negotiations with the major networks are currently "challenging" and will become even more so if the Dual Network Rule were eliminated).

[392] *See* Fox NPRM Comments at 12, n.49 (repeating that "network affiliation agreements do not interfere with affiliates' control of local stations' programming"); *but see* Network Affiliates NPRM Comments at 16 (stating that local affiliates "are essentially being forced to cede control to the Networks").

review in a separate proceeding.[393] Moreover, as the Commission has previously recognized, eliminating the Dual Network Rule would allow common ownership of two or more of the Big Four broadcast networks, which would result in fewer options for local stations to affiliate with, thereby shifting leverage in negotiations for affiliation toward the network.[394] Therefore, without the rule in place, any resulting merger, or even a prospect of such a merger, would likely increase the ability of networks to impose even more stringent terms on local affiliates.

116. More broadly, as the record of this proceeding demonstrates, the Big Four broadcast networks' imposition of reverse compensation fees and other restrictive provisions arrives at a time when viewers are increasingly switching to online video providers, leaving local affiliates in a precarious position as they struggle to maintain audience and advertising market share.[395] At the same time, research suggests that close to three-fourths of Americans continue to view local newsrooms as reporting the news accurately, and audiences appear to trust local reporting groups over national outlets.[396] Despite bright spots for local affiliates with respect to reputation and trust of their news divisions, their future is uncertain. The major networks' practices have added to the challenges and uncertainty by upending the stability of the network-affiliate balance, diminishing the value of content that local affiliates rely on, and demanding a larger cut of local stations' distribution revenue.[397] Over time, these practices threaten to inhibit local affiliates' competitive and financial strength and constrain their ability to prioritize the information needs of the local communities that they are licensed to serve, a particularly acute concern in an era where local broadcast television stations may be the final backstop for trusted local news.[398] Acknowledging these economic realities facing local affiliates and the information needs of the communities they serve, we conclude that it would be unwise at this time to remove a rule that seeks to limit the Big Four broadcast networks from further exerting their leverage over already strained local affiliates.[399]

117. If an affiliate is dissatisfied with the terms offered by a network during negotiation of its affiliation agreement, or its treatment by the network during the term of its prior agreement, it has two

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[393] *See generally Local Broadcasting Public Notice*, 40 FCC Rcd 9062.

[394] *See, e.g.*, *2018 Quadrennial Review Order*, 38 FCC Rcd at 12853-54, paras. 133, 134.

[395] Between 2021 and 2023, the 2024 Communications Marketplace Report observed that TV advertising revenue declined by 8% while digital advertising revenue increased by 21%. *See 2024 Communications Marketplace Report* at 14289, para. 273.

[396] *See* Gray NPRM Comments at 8 (citing a 2023 Knight-Gallup study, which "found that local news ranks significantly higher in trust than national cable outlets" and a 2024 Pew Research Center study "observing that 71% of Americans say their local journalists are doing a good job of reporting news accurately"); *see also* SAG-AFTRA NPRM Comments at 8-9 (citing to the same Pew Research study as Gray in support of its point that local broadcast television remains "a critical source for local news").

[397] *See* Network Affiliates NPRM Comments at 16-17 (observing how local affiliates are stuck today paying "more for less" exclusive programming).

[398] *See* SAG-AFTRA NPRM Comments at 13 (highlighting the rise of news deserts and the importance of preserving local news in the communities hit most hard); *see also* MAC Comments at 2 (emphasizing the need for local news as a top priority in our review due to the proliferation of news deserts).

[399] Throughout this review, we consider many of the impediments and challenges that local broadcast television stations today face in the increasingly competitive market for video programming. *See supra* paras. 70-72. Local stations' struggles to remain competitive businesses inform our decision herein both to provide stations with more flexibility under the Local Television Ownership Rule and to preserve local stations' bargaining leverage under the Dual Network Rule. Together, these decisions support our overarching policy goal of empowering local broadcasters. Because we consider the impact of both rules as part of this review, we dismiss ICLE's argument that any examination of the bargaining balance between the networks and affiliates, which does not consider the impact of eliminating both the Local Television Ownership Rule and Dual Network Rule simultaneously, is "flawed and outdated." ICLE NPRM Comments at 19.

options. First, it can choose to discontinue its affiliation and become an independent station. Although there are examples where stations have successfully taken this route,[400] in general, this threat by a local station carries limited credibility in a negotiation because the network knows that becoming an independent station likely entails significant risks and costs for the station involved.[401] The second option for the station is to seek affiliation with a different network, and in that way play one network off the other in negotiation. The credibility and efficacy of this tactic for a local station is directly premised on the availability of multiple, independently owned networks.[402] With fewer independently owned networks, the station's leverage to be gained by this tactic would be diminished. As a result, a decrease from four independently owned networks to three, which could follow from elimination of the Dual Network Rule, would be detrimental to affiliates—and their locally-oriented interests—in their negotiations with networks. With less leverage for the stations, the networks could further undercut their affiliates in one or more of the following ways that harm localism: more onerous contract restrictions; reduced station input regarding network programming;[403] limits on the incentive or ability to preempt national network programming;[404] reduced access to, or exclusivity with respect to, popular network content; less favorable treatment in vMVPD carriage arrangements; and increased reverse compensation

[400] *See* Fox NPRM Comments at 12 (referencing stations WANF-TV in Atlanta and WPLG-TV in Miami, which decided to disaffiliate and operate as independent stations rather than remain affiliated after their agreements had ended). While Fox points to two seemingly unusual examples to bolster its argument that the rule does not provide a localism benefit because stations can now simply operate successfully as independently operated stations, we reject such reasoning as insufficiently supported. *See* Fox NPRM Comments at 11-12 (arguing that "It thus has not been the case that 'having alternative Big Four networks with whom [an affiliate] can seek affiliation give[s the affiliate] more bargaining power if they came to a negotiating impasse regarding the terms of their affiliation.'"). By contrast to Fox's cherry-picked examples, as a general matter, data indicate that Big Four affiliated stations have meaningful revenue advantages over non-Big Four affiliated stations. S&P Global, *TV Stations by Market and Affiliation* (last accessed Apr. 24, 2026).

[401] We are unpersuaded by Fox's reliance on two examples of stations that disaffiliated and became independently operated stations to support its argument that the rule does not promote the bargaining power of affiliates. Fox NPRM Comments at 12. We believe Fox's argument regarding station independence additionally misses the more important point that there are stark revenue differences between the Big Four-affiliated stations and other broadcast stations, reflecting the value of major-network affiliation to a local station. Network Affiliates recognize such a difference, characterizing such affiliation as "valuable if not essential" to local stations. Network Affiliates NPRM Comments at 16.

[402] Therefore, we reject Fox's argument that local affiliates no longer need multiple options for affiliation to preserve the bargaining power of local affiliates. Fox NPRM Comments at 12.

[403] We agree with Network Affiliates that, without the rule, local affiliates would be less inclined to participate in raising programming concerns with their respective networks. *See* Network Affiliates NPRM Comments at 17-18 (expressing the importance of asserting programming independence from the Big Four networks). *2018 Quadrennial Review Order*, 38 FCC Rcd at 12853, para. 134.

[404] We share commenters' concerns that elimination of the rule would likely diminish local affiliates' incentive and ability to invoke their right of preemption or rejection without fear of some form of reprisal from the network. Newsmax NPRM Comments at 18; Gray NPRM Comments at 28-29. Fox argues that the rule does not support localism and that the Commission's prior reasoning about the rule's localism benefit predicated in part on the basis of a station's ability to preempt national programming was based on "false assumptions[,]" contending rather that a station's right of preemption and rejection is not influenced "*in any way* [by] the size or ownership profile of the network with which a station is affiliated" (italics added) and that the right for a station to preempt or reject is already enshrined by agency rule. Fox NPRM Comments at 11. The Dual Network Rule, however, reins in a network's leverage, and a station may be less likely to invoke its preemption rights vis-à-vis a network with greater leverage. While Fox correctly recognizes the codified right of preemption for stations, 47 CFR § 73.658(e), it notably fails to consider the Dual Network Rule's role in ensuring that affiliates are empowered to invoke their rights without fear of financial or other repercussions for doing so.

fees.[405] To protect against such harms, we conclude that retention of the Dual Network Rule remains in the public interest.[406]

118. *Competition.* There is no question that the Big Four broadcast networks today face competition from non-broadcast sources in ways they did not in years past. While the major networks' respective competitive positions are undoubtedly impacted by popular streaming services and other digital platforms, which vie for advertising and consumers' attention, we also recognize that the rule continues to encourage competition among the networks themselves for affiliation with local stations. Moreover, the Big Four broadcast networks, given their various online distribution options and strategies, retain a special agility to reach different audiences across legacy broadcast systems and digital streaming platforms alike.[407] We find that competition between the networks for affiliation with local stations that the rule produces may further lead to more innovative and high-quality programming for viewers. Accordingly, we conclude that while the competitive landscape for the Big Four broadcast networks has indisputably shifted in major ways, the Dual Network Rule continues to foster competition.

119. Historically, the Commission has found the Dual Network Rule to be necessary in the public interest to foster competition in the provision of programming suitable for large, national audiences and the sale of national advertising time.[408] Supporting this conclusion, the Commission formerly relied upon data illustrating how the Big Four broadcast networks largely operated in a "class of their own" in terms of producing national programming and selling national advertising time, such that a merger among these networks would reduce competition and would be likely to increase these networks' ability to create barriers to entry.[409] In this *Report and Order*, we determine that the Big Four broadcast networks no longer can be regarded as a "class of their own."[410]

120. Although the Big Four broadcast networks continued to surpass cable and smaller

[405] With the numerous examples already provided documenting the benefits that the rule engenders for local affiliates' negotiating positions relative to the Big Four broadcast networks, we accordingly dismiss ICLE's argument that "[a]n affiliate's negotiating position today is determined less by its ability to switch its affiliation from one legacy network to another and more by the overall health of the broadcast ecosystem and the value that network programming provides relative to streaming alternatives." ICLE NPRM Comments at 20.

[406] *2018 Quadrennial Review Order*, 38 FCC Rcd at 12853-54, paras. 134-35.

[407] *See* Network Affiliates NPRM Comments at 14 (recognizing how the Big Four broadcast networks today can reach viewers both over the air and through streaming).

[408] *2018 Quadrennial Review Order*, 38 FCC Rcd at 12846, para. 120; *2010/2014 Quadrennial Review Order*, 31 FCC Rcd at 9953, para. 221.

[409] *2018 Quadrennial Review Order*, 38 FCC Rcd at 12846, para. 121; *2010/2014 Quadrennial Review Order*, 31 FCC Rcd at 9954-59, paras. 224-228.

[410] *2018 Quadrennial Review Order*, 38 FCC Rcd at 12846, para. 121. Accordingly, we dismiss Newsmax's argument that the Big Four broadcast networks remain within this set class, as previously determined by the Commission. Newsmax NPRM Comments at 18.

broadcast networks in ratings,[411] as well as in advertising,[412] in the time since the *2018 Quadrennial Review Order*, we also recognize that the Big Four broadcast networks compete for viewers and advertisers with more than just cable networks and other broadcast networks.[413] As Fox contends, the Big Four broadcast networks now struggle to retain viewers and advertisers in a marketplace replete with online video providers and digital platforms, including: connected television set providers, streaming platforms, free ad-supported streaming television (FAST) providers, and social media platforms and websites owned by the largest of technology companies.[414] Fox and ICLE argue that online video providers command a sweeping share of viewers and advertising spend.[415] With regard to viewership, Fox contends that most of the top-ranked original television shows are now streaming originals.[416] Fox also observes that competition between the major networks and online video providers now extends beyond just scripted television to a broader range of programming, including live sports and other popular live marquee events.[417]

121. We do not dispute these observations. Nielsen's *The Gauge*, one of the few resources that provides viewership comparisons across video platform types, confirms how these shifts largely track evolving audience preferences, which in recent years have shown movement away from broadcasting and cable to streaming services.[418] Indeed, the current data show that Alphabet, Meta, Amazon, and

[411] In the ratings data previously relied on by the Commission—average primetime ratings and average 24-hour ratings—we continue to observe the Big Four networks substantially outperforming cable networks and smaller broadcast networks. The average primetime rating for the Big Four broadcast networks has remained larger than the audience size for even the most popular cable networks and the next-highest rated English-language broadcast network (ION): In 2025, the average primetime rating of the Big Four networks was 4.40, while the primetime rating of the highest-rated cable network (Fox News Channel) was 2.86—slightly more than half the Big Four average. ION's average primetime audience was 0.71 in 2025—slightly less than one-fourth of the Big Four average. *See* S&P Global, *TV Network Summary, Prime Time Rating (actual)* (last accessed Apr. 24, 2026). Beyond the primetime hours, in 2025, the average 24-hour rating for the Big Four broadcast networks was 3.41 compared to a 1.85 rating for the highest rated cable network (Fox News Channel). *See* S&P Global, *TV Network Summary, 24 Hour Rating (actual)* (last accessed Apr. 24, 2026).

[412] Additional disparities can be found between the net advertising revenue of the Big Four broadcast networks and the top cable networks. In 2025, the Big Four broadcast networks earned an average of $2.9 billion. In comparison, the top cable network, ESPN, earned $2.5 billion in estimated net advertising revenues. *See* S&P Global, *TV Network Summary, Net Advertising Revenue ($000)* (last accessed Apr. 24, 2026).

[413] *See 2018 Quadrennial Review Order*, 38 FCC Rcd at 12849, para. 127 (finding that "[i]n addition to the disparity in ratings, there continues to be a wide disparity in the advertising rates charged by the Big Four broadcast networks and the advertising rates charged by other broadcast and cable networks, supporting our review that the Big Four broadcast networks retain distinct characteristics and pursue distinct business interests and strategies, such that they remain a separate strategic group within the larger video marketplace.").

[414] Fox NPRM Comments at 9-11.

[415] ICLE NPRM Comments at 18-19; Fox NPRM Comments at 5-11; Fox NPRM Reply at Appx (referencing Lisa M. George, Ph.D., Economic Evidence on Competition in Professional Video Programming Markets Report (January 2026) (Lisa George Report)).

[416] Fox NPRM Comments at 6.

[417] Fox's attached report draws attention to heightened competition for the programming categories of news, talk and commentary, children's programming, and live sports. Fox NPRM Reply at Appx. (referencing the Lisa George Report). *See, e.g.*, Alex Weprin, *As Pay TV Collapses, Sports' Streaming Wars Kick Off* (Dec. 6, 2025), https://www.hollywoodreporter.com/business/business-news/sports-streaming-wars-1236440665/. *See also* Scott Feinberg & Alex Werpin, *Oscars Bolts from ABC to YouTube Starting in 2029* (Dec. 17, 2025), https://www.hollywoodreporter.com/news/general-news/oscars-bolt-from-abc-to-youtube-starting-in-2029-1236453188/.

[418] What these data show from a very high level is that on demand streaming services today inarguably compete with broadcasting for viewership. In total, viewership of on-demand streaming services is now greater than viewership of broadcast and cable combined. In December 2023, Nielsen found that the shares of viewership attributable to

Microsoft, alone, account for nearly 65 percent of the market share for U.S. advertising.[419] Other reporting suggests that digital video in 2024 captured a majority of television and video ad spending—a remarkable accomplishment if considering how around only 29 percent of advertising dollars in video was attributable to digital video in 2020.[420] Given all of this, it is clear, contrary to what some commenters maintain, that streaming has impacted the relative competitive positions of the major broadcast networks, and that the Big Four networks should no longer be viewed as a strategic competitive group within the video marketplace with respect to viewers and advertisers.[421]

122. Nevertheless, even as the Big Four broadcast networks focus on competing with online video distributors and other platforms for viewers and advertisers, the networks also simultaneously compete with one another to enter into affiliation agreements with local stations. Indeed, the major networks are unique in this regard. As recognized previously, affiliate agreements still hold significant economic value.[422] For the networks, this is showcased primarily by their continued investment in affiliation, which includes benefits from special affiliation fees, advertising revenues, consistent distribution of their programming, marketing advantages, and brand exposure.[423] Clearly, affiliate agreements remain profitable models for the major networks.

123. With this in mind, we find that the Dual Network Rule's limitation of Big Four network mergers is likely to provide an incidental competition benefit by encouraging the four major networks to compete against each other for affiliation with the local stations in each DMA. The Big Four broadcast networks continue to offer a distinctive and broadly appealing blend of live and prerecorded programming, ranging from live national news and sports to popular game shows, scripted dramas, and sitcoms.[424] When the major networks routinely compete against one another for such affiliation with local

broadcast, cable, and streaming were 23.5%, 28.2%, and 35.9% respectively. Nielsen, The Gauge (Dec. 2023), available at: https://web.archive.org/web/20240208203436/https://www.nielsen.com/data-center/the-gauge/. In December 2024, Nielsen found that the shares of viewership attributable to broadcast, cable, and streaming were 22.4%, 23.8%, and 43.3% respectively. Nielsen, The Gauge (Dec. 2024), available at: https://web.archive.org/web/20250205171042/https://www.nielsen.com/data-center/the-gauge/. Most recently, in December 2025, Nielsen found that the shares of viewership attributable to broadcast, cable, and streaming were 21.4%, 20.2%, and 47.5% respectively. Nielsen, The Gauge (Dec. 2025), available at: https://web.archive.org/web/20260208112134/https://www.nielsen.com/data-center/the-gauge/. In comparing December 2023 viewership to December 2025 viewership, the broadcasters appear to have withstood a 2.1 percentage point decline while the streaming platforms enjoyed an 11.6 percentage point increase.

[419] *See* Fox NPRM Comments at 11 (citing MoffettNathanson Research).

[420] *See* Fox NPRM Comments at 10 (highlighting the 2025 Digital Video Ad Spent & Strategy Report, IAB at 7 (July 2025)).

[421] *See* ATVA NPRM Comments at 11 (referencing the Big Four networks' dominance among other networks in live broadcasts, but neglecting to weigh how other media competitors, such as streaming companies, have substantially expanded their live programming offerings); *see also* Newsmax NPRM Comments at 17-18 (limiting its competition analysis for national advertising and audiences to the Big Four networks, local broadcasters, and other broadcast and cable networks).

[422] *See supra* para. 107.

[423] *See, e.g.*, Fox Corporation, Annual Report at 2 (Form 10-K) (Aug. 6, 2025) (under the section titled "Our Competitive Strengths[,]" Fox claims that it is able to maximize the value of its programming through affiliate fees and advertising sales).

[424] Indeed, currently, we are unaware of any other media networks in broadcasting, cable, or otherwise, which consistently deliver the type of diverse and widely popular blend of live and prerecorded programming, which is directly comparable to that of the Big Four. *See, e.g.*, John Koblin, *It's Easier Than Ever to Turn Your Dial to a Live Event* (Oct. 28, 2025), https://www.nytimes.com/2025/10/28/business/media/broadcast-tv-live-events.html (highlighting that in addition to their unique lineup of scripted, talk, and news programming, the Big Four networks have in recent years started filling even more airtime with "big specials, events, and sports").

stations, we view the networks as more likely to differentiate and prioritize programming quality, or originality, resulting in benefits to local affiliates and audiences alike.[425] Therefore, were the networks pared down to just two or three entities because of a merger, we estimate the remaining networks would be less incentivized to seek differentiated and quality programming to win over affiliate stations or audiences.[426] Moreover, we acknowledge this incidental benefit is connected to the bargaining leverage of local affiliates in the network-affiliate relationship, which promotes localism, and which we seek to empower through the rule.[427] Accordingly, we find that the Dual Network Rule continues to foster competition (in addition to our finding that the rule remains necessary on the independent basis of promoting localism, as explained above).

124. We further reject Fox and Network Commenters' characterization of the Dual Network Rule as an unjustifiable *ex ante* restriction on strategic combinations, which other federal agencies, such as the Department of Justice's Antitrust Division, should solely be tasked with.[428] We disagree with Fox's claim that an antitrust review on its own would render sufficient consideration of the public interest. For example, antitrust review guidelines alone would not thoroughly consider the Commission's traditional media policy goal of localism, long considered under the public interest directive in section 202(h) of the 1996 Act, nor would they specifically account for the harms that the Dual Network Rule protects against with respect to bargaining power and influence in the network-affiliate relationship, described above. Moreover, we reject Fox's assertion that our preservation of the rule would be invalid under the Administrative Procedure Act provided the numerous examples we explain in detail above about how the rule continues to promote localism.[429]

125. *Viewpoint Diversity*. Four commenters (ATVA, DIRECTV, Newsmax, and SAG-AFTRA) contend that the Dual Network Rule supports our policy goal of viewpoint diversity, or that elimination would harm viewpoint diversity.[430] As noted above, we retain the rule for purposes of localism. In prior quadrennial reviews, the Commission has questioned the nexus between the rule and the policy goal of viewpoint diversity and found that the rule is not necessary to promote viewpoint

[425] Recognizing this incidental benefit, we find that as the Big Four broadcast networks compete with an ever-expanding field of online video providers and digital platforms, they also continue to directly compete against each other for national audience and advertising share in order to distinguish themselves within the marketplace. *See generally* Network Affiliates Public Notice Reply at 18-19 (explaining the various market segments that the Big Four broadcast networks compete in today).

[426] Such a result may in fact intensify the purported lack of differentiated programming produced by the major networks. *See* Center for American Rights NPRM Comments at 4 (listing its concerns about a lack of viewpoint diversity in news programming at some of the Big Four broadcast networks).

[427] Because we retain the Dual Network Rule, we decline to evaluate on the merits commenters' vague and speculative arguments that the agency's elimination of the rule would lead to anticompetitive harms in the retransmission consent market. DIRECTV alleges that elimination of the rule would effectively permit the networks to "have grossly unfair leverage with respect to MVPDs . . . threaten[ing] catastrophic risk in any negotiation with distributions . . . [and] allow[ing] it to go straight to the consumer with its own [DTC] programming, cutting out the distributor altogether." DIRECTV NPRM Comments at 29. ATVA argues that "[i]f two of the Big Four networks were permitted to merge, the combined network would have significant leverage in negotiations, including over retransmission consent fees, with distributors like ATVA members . . . lead[ing] to increased television blackouts . . ." ATVA NPRM Comments at 11. As noted above, the Commission has other rules that directly address the retransmission consent process. *See supra* para. 74.

[428] Fox NPRM Comments at 15-16; Network Commenters Public Notice Comments at 14-15.

[429] *See* Fox NPRM Comments at 16-18 (arguing that in light of changes to the competitive landscape, upholding the rule would run contrary to the evidence before the agency, and that the agency would have failed to consider an important aspect of the problems).

[430] ATVA NPRM Comments at 10; DIRECTV NPRM Comments at 28; Newsmax NPRM Comments at 17; SAG-AFTRA NPRM Comments at 3.

diversity.[431] We find nothing in the commenters' arguments to convince us to depart from that conclusion here.

V. PROCEDURAL MATTERS

126. *Regulatory Flexibility Act*. The Regulatory Flexibility Act of 1980, as amended (RFA),[432] requires that an agency prepare a regulatory flexibility analysis for notice and comment rulemakings, unless the agency certifies that "the rule will not, if promulgated, have a significant economic impact on a substantial number of small entities."[433] Accordingly, the Commission has prepared a Final Regulatory Flexibility Analysis (FRFA) concerning the possible impact of the rule and policy changes contained in this *Report and Order* on small entities. The FRFA is set forth in Appendix B.

127. *Final Paperwork Reduction Act Analysis*. This document may contain new or substantively modified information collections subject to the Paperwork Reduction Act of 1995 (PRA), 44 U.S.C. §§ 3501-3521. All such new or modified information collections will be submitted to the Office of Management and Budget (OMB) for review under section 3507(d) of the PRA. OMB, the general public, and other Federal agencies will be invited to comment on any new or modified information collections contained in this proceeding. In addition, we note that pursuant to the Small Business Paperwork Relief Act of 2002, 44 U.S.C. § 3506(c)(4), we previously sought specific comment on how the Commission might further reduce the information collection burden for small business concerns with fewer than 25 employees.

128. *Congressional Review Act*. The Office of Information and Regulatory Affairs, Office of Management and Budget, has found that this rule meets the criteria for a major rule under the Congressional Review Act, 5 U.S.C. § 804(2). The Commission will send a copy of the *Order* to Congress and the Government Accountability Office pursuant to 5 U.S.C. § 801(a)(1)(A).

129. *People with Disabilities*. To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at 202-418-0530 (voice), 202-418-0432 (tty).

VI. ORDERING CLAUSES

130. Accordingly, **IT IS ORDERED**, that pursuant to the authority contained in Sections 1, 2(a), 4(i), 303, 307, 309, 310, and 403 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151, 152(a), 154(i), 303, 307, 309, 310, and 403, and Section 202(h) of the Telecommunications Act of 1996, this Report and Order **IS ADOPTED**.[434]

131. **IT IS FURTHER ORDERED** that this Report and Order and rule modifications attached hereto as Appendix A **SHALL BE EFFECTIVE** 60 days after publication in the Federal Register. Compliance with section 73.3555(a)-(b) of the Commission's rules, 47 CFR § 73.3555(a)-(b), which may contain new or modified information collections, will not be required until the Office of Management and Budget completes review of any information collections that the Media Bureau determines is required under the Paperwork Reduction Act. The Commission directs the Media Bureau to announce the compliance date for section 47 CFR § 73.3555(a)-(b) by notice in the Federal Register, to cause section 47 CFR § 73.3555(a)-(b) to be revised accordingly, and to announce the compliance date for section 47 CFR § 73.3555(a)-(b) by subsequent Public Notice.

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[431] *2002 Biennial Review Order*, 18 FCC Rcd at 13856-58, paras. 616-20.

[432] 5 U.S.C. §§ 601 *et seq*., as amended by the Small Business Regulatory Enforcement and Fairness Act (SBREFA), Pub. L. No. 104-121, 110 Stat. 847 (1996).

[433] 5 U.S.C. § 605(b).

[434] Pursuant to Executive Order 14215, 90 Fed. Reg. 10447 (Feb. 24, 2025), this regulatory action has been determined to be significant under Executive Order 12866, 58 Fed. Reg. 51735 (Oct. 4, 1993).

132. **IT IS FURTHER ORDERED**, that, should no petitions for reconsideration or petitions for judicial review be timely filed, the proceeding MB Docket No. 22-459 **IS TERMINATED**.

133. **IT IS FURTHER ORDERED**, that the Commission's Office of the Secretary, **SHALL SEND** a copy of this Report and Order, including the Final Regulatory Flexibility Analysis, to the Chief Counsel for the Small Business Administration (SBA) Office of Advocacy.

134. **IT IS FURTHER ORDERED**, that the Office of the Managing Director, Performance Evaluation and Records Management **SHALL SEND** a copy of this Report and Order in a report to be sent to Congress and the Government Accountability Office pursuant to the Congressional Review Act, 5 U.S.C. § 801(a)(1)(A).

FEDERAL COMMUNICATIONS COMMISSION

Marlene H. Dortch
Secretary

APPENDIX A

Final Rules

Part 73 of Title 47 of the Code of Federal Regulations is amended as follows:

PART 73—RADIO BROADCAST SERVICES

1. The authority citation for Part 73 continues to read as follows:

AUTHORITY: 47 U.S.C. 154, 303, 334, 336 and 339.

2. Amend § 73.3555 by revising paragraphs (a), (b), and Note 6 to read as follows:

§ 73.3555 Multiple ownership.

(a)
(1) Local radio ownership rule. A person or single entity (or entities under common control) may have a cognizable interest in licenses for AM or FM radio broadcast stations in accordance with the following:
(i) In a radio market with 45 or more full-power, commercial and noncommercial radio stations, up to 8 commercial radio stations;
(ii) In a radio market with between 30 and 44 (inclusive) full-power, commercial and noncommercial radio stations, up to 7 commercial radio stations;
(iii) In a radio market with between 15 and 29 (inclusive) full-power, commercial and noncommercial radio stations, up to 6 commercial radio stations; and
(iv) In a radio market with 14 or fewer full-power, commercial and noncommercial radio stations, up to 5 commercial radio stations; provided, however, that no person or single entity (or entities under common control) may have a cognizable interest in more than 50% of the full-power, commercial and noncommercial radio stations in such market, except that a person or single entity (or entities under common control) may own at least 2 commercial radio stations in any radio market.
(2) An entity may be permitted to directly or indirectly own, operate, or control more than the number of radio stations permitted by paragraph (a)(1) of this section where, upon request the Commission makes a finding that multiple ownership beyond that already permitted by paragraph (a)(1) of this section would serve the public interest, convenience, and necessity. The Commission will consider showings that multiple ownership beyond that already permitted by paragraph (a)(1) of this section serves the public interest, convenience, and necessity due to specific circumstances in a local market or with respect to a specific transaction on a case-by-case basis.

(b) * * *
(1) An entity may directly or indirectly own, operate, or control two television stations licensed in the same Designated Market Area (DMA) (as determined by Nielsen Media Research or any successor entity).

(2) An entity may be permitted to directly or indirectly own, operate, or control more than two television stations licensed in the same DMA where, upon request, the Commission makes a finding that multiple ownership beyond that already permitted by paragraph (b)(1) of this section would serve the public interest, convenience, and necessity. The Commission will consider showings that multiple ownership beyond that already permitted by paragraph (b)(1) of this section serves the public interest, convenience, and necessity due to specific circumstances in a local market or with respect to a specific transaction on a case-by-case

basis.

* * * * *

Note 6 to § 73.3555: Requests submitted pursuant to paragraphs (a)(2) or (b)(2) of this section will be considered in accordance with the analysis set forth in the Report and Order in MB Docket No. 22-459 (FCC 26-___).

3. Remove and reserve Note 7 to § 73.3555.

4. Remove Note 11 to § 73.3555.

APPENDIX B

Final Regulatory Flexibility Analysis

1. As required by the Regulatory Flexibility Act of 1980, as amended (RFA),[1] an initial Regulatory Flexibility Act Analysis (IRFA) was incorporated in the *2022 Quadrennial Review Notice of Proposed Rulemaking* (*NPRM*), released in September 2025.[2] The Federal Communications Commission (Commission) sought written public comment on the proposals in the *NPRM*, including comment on the IRFA. No comments were filed addressing the IRFA. This Final Regulatory Flexibility Analysis (FRFA) conforms to the RFA and it (or summaries thereof) will be published in the Federal Register.[3]

A. Need for, and Objectives of, the Rules

2. The *Report and Order* (*Order*) concludes the 2022 Quadrennial Review of the broadcast ownership rules, which was initiated pursuant to Section 202(h) of the Telecommunications Act of 1996 (1996 Act).[4] The Commission is required by statute to review its media ownership rules every four years to determine whether they "[a]re necessary in the public interest as the result of competition"[5] and to "repeal or modify any regulation it determines to be no longer in the public interest."[6]

3. The media ownership rules that are subject to this quadrennial review are the Local Radio Ownership Rule, the Local Television Ownership Rule, and the Dual Network Rule.[7] The Commission concludes that both the Local Radio and Local Television Ownership Rules should be modified to allow for greater common ownership beyond baseline limits, and the Dual Network Rule should be retained without modification.

4. Specifically, we amend the Local Radio Ownership Rule to eliminate subcaps, while maintaining overall baseline limits for common ownership; revise the Local Television Ownership Rule to allow ownership of more than two stations in a Designated Market Area (DMA) on a case-by-case basis, and eliminate the contour overlap provision; and retain the Dual Network Rule without modification. With regard to the Local Radio Ownership Rule, we believe that eliminating Local Radio Ownership Rule subcaps, while maintaining overall market caps as a baseline for common ownership, will yield the most public interest benefits. Without subcaps, successful licensees can better calibrate the types of stations they need to compete with non-broadcast audio content for listener attention and to remain attractive to advertisers. Moreover, our analysis anticipates that eliminating subcaps will result in some migration of programming currently on AM to FM, as licensees modify, acquire, or win at auction additional FM channels, up to a market's total cap. Such migration by established broadcasters will then free up AM stations, effectively creating opportunities for new entrants and local entities to acquire AM stations that become available. With regard to the Local Television Ownership Rule, we will consider all applications for acquiring and owning more than two stations in a DMA on a case-by-case basis, similar to the

[1] 5 U.S.C. §§ 601 *et seq*., as amended by the Small Business Regulatory Enforcement and Fairness Act (SBREFA), Pub. L. No. 104-121, 110 Stat. 847 (1996).

[2] *2022 Quadrennial Regulatory Review – Review of The Commission's Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996*, Notice of Proposed Rulemaking, , 40 FCC Rcd 7971 (2025).

[3] *See* 5 U.S.C. § 604.

[4] Telecommunications Act of 1996, Pub. L. No. 104-104, § 202(h), 110 Stat. 56, 111-12 (1996) (1996 Act) (codified as amended at 47 U.S.C. § 303 note); Consolidated Appropriations Act, 2004, Pub. L. No. 108-199, § 629, 118 Stat. 3, 99-100 (2004) (Appropriations Act) (amending Sections 202(c) and 202(h) of the 1996 Act).

[5] 1996 Act § 202(h). The Supreme Court has recognized the Commission's broad statutory authority to regulate in the public interest. *FCC v. Prometheus Radio Project*, 592 U.S. 414, 416-17 (2021).

[6] 47 U.S.C. § 303 note (Section 202(h) of the 1996 Act as amended).

[7] These rules are found, respectively, at 47 CFR §§ 73.3555(a), (b) and 73.658(g).

approach that the Commission took to application of the Top-Four Prohibition prior to its vacatur. A case-by-case approach suits the broadcast television ecosystem better given the rapidly changing nature of the video programming industry and the disparate characteristics of individual markets and transactions. Further, with regard to the Local Television Ownership Rule, we eliminate the contour overlap provision language in the rules as it no longer serves any purpose with the changes we adopt. The rule previously conditioned common ownership of two stations in a market on the "digital noise limited service contours of the stations (computed in accordance with § 73.619(c))" not overlapping.[8] Because vacatur of the Top-Four Prohibition meant that common ownership of two stations is now permissible in all cases, the rule no longer needs to specify that common ownership of two non-overlapping stations is permissible. Such common ownership was permissible before the vacatur of the Top-Four Prohibition and will remain so. Nonetheless, the contour overlap language, along with that relating to the vacated Top-Four Prohibition has remained in the rules, and so we take this opportunity to eliminate all unnecessary language in the Local Television Ownership Rule. As for the Dual Network Rule, we find that retaining the rule is in the public interest because it promotes localism by tempering network leverage over affiliates.

B. Summary of Significant Issues Raised by Public Comments in Response to the IRFA

5. Though no comments were filed directly addressing the IRFA, some comments were submitted touching on how changes to the rules may affect the operation of small broadcast entities.[9]

C. Response to Comments by the Chief Counsel for the Small Business Administration Office of Advocacy

6. Pursuant to the Small Business Jobs Act of 2010, which amended the RFA,[10] the Commission is required to respond to any comments filed by the Chief Counsel for the Small Business Administration (SBA) Office of Advocacy, and also provide a detailed statement of any change made to the proposed rules as a result of those comments.[11] The Chief Counsel did not file any comments in response to the proposed rules in this proceeding.

D. Description and Estimate of the Number of Small Entities to Which the Rules Will Apply

7. The RFA directs agencies to provide a description of, and where feasible, an estimate of the number of small entities that may be affected by the adopted rules.[12] The RFA generally defines the term "small entity" as having the same meaning as the terms "small business," "small organization," and "small governmental jurisdiction."[13] In addition, the term "small business" has the same meaning as the term "small business concern" under the Small Business Act (SBA).[14] A "small business concern" is one which: (1) is independently owned and operated; (2) is not dominant in its field of operation; and (3) satisfies any additional criteria established by the SBA.[15] The SBA establishes small business size

[8] 47 CFR § 73.3555 (b)(1)(i). Note that the section ends in "or" and indicates that, where the service contours do overlap, the subsequent provision (b)(1)(ii) applies.

[9] musicFIRST and FMC NPRM Comments at 4, 16; NABOB NPRM Comments at 15-16.

[10] Small Business Jobs Act of 2010, Pub. L. No. 111-240, 124 Stat. 2504 (2010).

[11] 5 U.S.C. § 604 (a)(3).

[12] *Id*. § 604.

[13] *Id*. § 601(6).

[14] *Id*. § 601(3) (incorporating by reference the definition of "small-business concern" in the Small Business Act, 15 U.S.C. § 632). Pursuant to 5 U.S.C. § 601(3), the statutory definition of a small business applies "unless an agency, after consultation with the Office of Advocacy of the Small Business Administration and after opportunity for public comment, establishes one or more definitions of such term which are appropriate to the activities of the agency and publishes such definition(s) in the Federal Register."

[15] 15 U.S.C. § 632.

standards that agencies are required to use when promulgating regulations relating to small businesses; agencies may establish alternative size standards for use in such programs, but must consult and obtain approval from SBA before doing so.[16]

8. Our actions, over time, may affect small entities that are not easily categorized at present. We therefore describe three broad groups of small entities that could be directly affected by our actions.[17] In general, a small business is an independent business having fewer than 500 employees.[18] These types of small businesses represent 99.9% of all businesses in the United States, which translates to 34.75 million businesses.[19] Next, "small organizations" are not-for-profit enterprises that are independently owned and operated and not dominant in their field.[20] While we do not have data regarding the number of non-profits that meet that criteria, over 99 percent of nonprofits have fewer than 500 employees.[21] Finally, "small governmental jurisdictions" are defined as cities, counties, towns, townships, villages, school districts, or special districts with populations of less than fifty thousand.[22] Based on the 2022 U.S. Census of Governments data, we estimate that at least 48,724 out of 90,835 local government jurisdictions have a population of less than 50,000.[23]

9. The rules adopted in the *Order* will apply to small entities in the industries identified in the chart below by their six-digit North American Industry Classification System (NAICS) codes and corresponding SBA size standard.[24] Where available, we also provide additional information regarding the number of potentially affected entities in the identified industries below.

[16] 13 CFR § 121.903.

[17] 5 U.S.C. § 601(3)-(6).

[18] *See* SBA, Office of Advocacy, *Frequently Asked Questions About Small Business* (July 23, 2024), https://advocacy.sba.gov/wp-content/uploads/2024/12/Frequently-Asked-Questions-About-Small-Business_2024-508.pdf.

[19] *Id*.

[20] 5 U.S.C. § 601(4).

[21] *See* SBA, Office of Advocacy, *Small Business Facts, Spotlight on Nonprofits* (July 2019), https://advocacy.sba.gov/2019/07/25/small-business-facts-spotlight-on-nonprofits/.

[22] 5 U.S.C. § 601(5).

[23] *See* U.S. Census Bureau, 2022 Census of Governments –Organization, https://www.census.gov/data/tables/2022/econ/gus/2022-governments.html, tables 1-11.

[24] The size standards in this chart are set forth in 13 CFR § 121.201, by six digit NAICS code.

Table 1. 2022 U.S. Census Bureau Data by NAICS Code

Regulated Industry	NAICS Code	SBA Size Standard	Total Firms[25]	Small Firms[26]	% Small Firms in Industry
Radio Stations	516110	$47 million	2,616	2,136	81.65%
Television Broadcasting	516120	$47 million	413	316	76.51%

Table 2. Broadcast Entity Data

Broadcast Station Owners (as of August 8, 2025)[27]	SBA Size Standard ($47 Million)		
Affected Entity	**# Commercial Licensed[28] [29]**	**Small Firms**	**% Small Entities**
Radio Station (AM & FM) Groups	2,833	2,815	99%
Television Station Groups	163	134	82%

E. Description of Economic Impact and Projected Reporting, Recordkeeping, and Other Compliance Requirements for Small Entities

10. The RFA directs agencies to describe the economic impact of proposed rules on small entities, as well as projected reporting, recordkeeping and other compliance requirements, including an estimate of the classes of small entities which will be subject to the requirements and the type of professional skills necessary for preparation of the report or record.[30]

11. The *Order* modifies the Local Radio Ownership Rule and the Local Television Ownership Rule, which requires modification of several schedules to FCC 2100 and related instructions: (1) FCC Form 2100, Schedule 301, Application for Construction Permit for Commercial Broadcast Station; (2) FCC Form 2100, Schedule 314, Application for Consent to Assignment of Broadcast Station Construction Permit or License; and (3) FCC Form 2100, Schedule 315, Application for Consent to

[25] *U.S. Census Bureau*, "*Selected Sectors: Sales, Value of Shipments, or Revenue Size of Firms for the U.S.: 2022*." Economic Census, ECN Core Statistics Economic Census: Establishment and Firm Size Statistics for the U.S., Table EC2200SIZEREVFIRM, 2025.

[26] *Id*.

[27] Data as of 2024, according to Commission staff review of the BIA Kelsey Inc. Media Access Pro Television Database (BIA) on August 8, 2025.

[28] *Id.*

[29] As of June 30, 2026, there were 4,300 licensed commercial AM radio stations and 6,560 licensed commercial FM radio stations, for a combined total of 10,860 commercial radio stations. There were 4,806 licensed noncommercial (NCE) FM radio stations, 2,013 low-power FM (LPFM) stations, and 8,846 FM translators and boosters. Additionally, there were 1,390 licensed commercial television stations, 387 licensed noncommercial educational (NCE) television stations, 397 Class A TV stations, 1,772 LPTV stations, and 3,068 TV translator stations. *Broadcast Station Totals as of June 30, 2026*, Public Notice, DA 26-652 (rel. July 14, 2026) (*July 2026 Broadcast Station Totals PN*), https://docs.fcc.gov/public/attachments/DA-26-652A1.pdf.

[30] 5 U.S.C. § 603(b)(4).

Transfer Control of Corporation Holding Broadcast Station Construction Permit or License. The change will involve removing instructions on the form's schedules concerning the Local Television Ownership Rule, which stated that "among the top four stations in the DMA, based on the Sunday to Saturday, 7AM to 1AM daypart audience share from ratings averaged over a 12-month period immediately preceding the date of application as determined by Nielsen or a comparable professional survey organization . . ." We do not anticipate that compliance will require the expenditure of any additional resources or place additional burdens on small businesses because stations should generally be familiar with the information needed to complete these forms and the process to submit them.

12. The *Order* also establishes flexible case-by-case frameworks for small and other entities to request approval to exceed baseline ownership levels. For the Local Radio Ownership Rule, parties will need to submit quantitative and qualitative data of economic and marketplace conditions demonstrating how the public interest will be better served by the proposal to exceed baselines than would adherence to them, which may include: information on proposed ratings and revenues; population of the market; impact on viewpoint diversity and localism, and new entrant access; and market-specific conditions that favor the proposed combination.[31] For the Local Television Ownership rule, the factors to be considered when broadcasters seek to deviate from the baseline ownership levels include: the number of television stations in a DMA, the DMA's population, the relative competitive strength of the DMA's stations, and the availability of non-broadcast video or digital advertising platforms.[32] Small entities that seek to use either framework may need to hire additional professionals (e.g., attorneys, engineers, economists, or accountants) to compile any data that would not be captured in the normal course of business.

F. Discussion of Significant Alternatives Considered That Minimize the Significant Economic Impact on Small Entities

13. The RFA requires an agency to provide "a description of the steps the agency has taken to minimize the significant economic impact on small entities. . . including a statement of the factual, policy, and legal reasons for selecting the alternative adopted in the final rule and why each one of the other significant alternatives to the rule considered by the agency which affect the impact on small entities was rejected."[33]

14. As discussed above, in the *Order*, the Commission begins its statutorily mandated review of whether the three remaining media ownership rules remain in the public interest as a result of competition, consistent with the instruction of section 202(h).[34] As part of this review, the Commission sought comment on alternatives to the proposed rules that could minimize potential economic impact on small entities that might be affected by any proposed rule changes, should they be adopted, as well as any other rule changes that may ultimately be required as the result of comments provided by interested parties.

15. The *Order* modifies, as necessary, certain existing reporting forms and establishes flexible case-by-case frameworks for small and other entities that request approval to exceed baseline ownership levels. In conducting the quadrennial review, the Commission has three chief alternatives available for each of the Commission's media ownership rules—eliminate the rule, modify it, or, if the Commission determines that the rule is "necessary in the public interest," retain it. The Commission finds that the rules adopted in the *Order*, which are intended to achieve the policy goals of competition, localism, and diversity, will continue to benefit small entities by fostering a media marketplace in which small entities are better able to compete and sustain services to their communities. The Commission

[31] *Order*, para. 64.

[32] *Order*, paras. 81-82.

[33] 5 U.S.C. § 604(a)(6).

[34] *Order*, para. 4.

discusses below several ways in which the rules may benefit small entities as well as steps taken, and significant alternatives considered, to minimize any potential burdens on small entities.

16. *Local Radio Ownership Rule*. The *Order* modifies the Local Radio Ownership Rule to eliminate AM/FM subcaps. The Commission establishes a flexible framework by which licensees can request approval for additional market ownership subject to a showing. Such a showing will be included in an application and must demonstrate that a proposed above-the-cap ownership level would still comport with statute-based public interest objectives at the core of the nation's radio licensing regime. Some commenters expressed concern that these rules may inhibit the ability of small entities to enter the market or sustain revenue to compete against larger station owners.[35] The Commission believes the record of this proceeding, when analyzed through the Communications Act's mandate to license radio stations under a public interest standard—that is, in consideration of competition, localism, and diversity—compels the change to the Local Radio Ownership Rule, even as the changes adopted today involve tradeoffs among the policy goals. The Commission finds that the tradeoffs are made in the interest of supporting the viability of broadcast radio and giving licensees the flexibility they need to respond to changing marketplace conditions in ways that best serve their local communities.

17. *Local Television Ownership Rule*. The *Order* modifies the Local Television Ownership Rule to include greater flexibility in allowing for common ownership that exceeds what the rule previously permitted. The Commission finds that the current rule does not serve the public interest as it fails to consider the impact of non-broadcast media on broadcast television stations. The Commission also finds that a baseline level of common ownership should be permitted in all DMAs and adopts a mechanism to provide additional flexibility on a case-by-case basis. Finally, the *Order* removes from the language of the rule all provisions that have been rendered ineffective by various developments since the previous quadrennial review concluded.

18. *Dual Network Rule*. The *Order* retains that the Dual Network Rule, which effectively prohibits a merger between the Big Four broadcast networks (ABC, CBS, FOX, and NBC),[36] remains necessary in the public interest to promote localism. Regarding localism, the Commission finds that the Dual Network Rule promotes a balance between the competing economic interests of the Big Four broadcast networks and the local broadcast affiliates by supporting the bargaining leverage of local affiliates. The Dual Network Rule serves to assist local broadcasters in fulfilling their public interest obligations by providing the stations with more leverage that they can use to promote local interests in the context of their affiliation negotiations with the Big Four broadcast networks. Regarding competition, the Commission finds that the Big Four broadcast networks today compete with online video providers and other digital platforms for viewership and advertising revenues. Notwithstanding such competitive realities, the Commission finds that the Dual Network Rule continues to promote competition among the Big Four broadcast networks, even as those networks increasingly compete with non-broadcast sources of video programming.

G. Report to Congress

19. The Commission will send a copy of the *Order*, including this Final Regulatory Flexibility Analysis, in a report to Congress pursuant to the Congressional Review Act.[37] In addition, the Commission will send a copy of the *Order*, including this Final Regulatory Flexibility Analysis, to the Chief Counsel for the SBA Office of Advocacy and will publish a copy of the *Order*, and this Final Regulatory Flexibility Analysis (or summaries thereof) in the Federal Register.[38]

[35] *E.g.*, musicFIRST and FMC NPRM Comments at 4, 16; NABOB NPRM Comments at 15-16.

[36] *See* 47 CFR § 73.658(g).

[37] 5 U.S.C. § 801(a)(1)(A).

[38] *Id.* § 604(b).

APPENDIX C

Regulatory Impact Analysis

A. Local Radio Ownership Rule

1. The rules adopted today are necessary to ensure that broadcast radio stations remain viable and continue to deliver public interest benefits. Revenues for broadcast radio stations are in decline having never recovered after the 2008 financial crisis or the COVID-19 pandemic. Total ad revenue for broadcast radio stations declined from over $21 billion in 2007 to $14.4 billion in 2025.[1] Further, the number of commercial radio stations has declined over the past ten years.[2]

2. Eliminating the radio subcaps will allow station owners to decide the proper mix of AM and FM stations to own in a market. This added flexibility will allow station owners to optimize the mix of stations for their particular business strategy and potentially increase ad revenue. With additional ad revenue, radio stations can provide higher quality programming and remain viable.

3. Allowing for a case-by-case approach to radio station combinations that exceed the baseline ownership limits would allow the Commission to approve those transactions where the social benefits exceed the social costs. Under the case-by-case approach, the Commission will consider the public interest effects of a transaction, namely how the transaction would affect competition, localism, and viewpoint diversity. If the benefits outweigh the costs, the transaction will be approved.

4. Moving to a case-by-case approach for radio station transactions that exceed the baseline ownership limits may increase the Commission's costs if additional staff are needed to review station transactions. While the Media Bureau already has a team charged with reviewing radio station transactions, if the volume of station transactions significantly increases and an additional staff member is needed to help review these transactions, the cost to the Commission would be about $238,132 annually.[3]

5. Since the Commission will approve only those radio station transactions in which the benefits exceed the costs, this rule change will be net beneficial as long as the net social benefits of the approved transactions are greater than the increase in the Commission's administrative costs. We expect this to be the case because our estimate of the additional staff costs is extremely small compared to total radio station revenue.[4]

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[1] S&P Global, *US TV and Radio Ad Projections*, 1970-2035 (2025) (last accessed Apr. 21, 2026).

[2] *Broadcast Station Totals as of March 31, 2016*, News Release (MB Apr. 6, 2016), available at http://transition.fcc.gov/Daily_Releases/Daily_Business/2016/db0406/DOC-338754A1.pdf and *Broadcast Station Totals as of March 31, 2026*, Public Notice, DA 26-336 (MB Apr. 10, 2026), available at https://docs.fcc.gov/public/attachments/DA-26-336A1.pdf.

[3] Reviewing these transactions requires significant legal and technical expertise, so we assume that the employee would have a relatively high level of total compensation. A Washington DC area employee of the pay grade level GS-14 step 5 earns $163,104 annually. Office of Personnel Management, Salary Table 2026-DCB, https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2026/DCB.pdf (accessed July 20, 2026). According to the Bureau of Labor Statistics, as of December 2025, civilian wages and salaries averaged $33.45/hour and benefits averaged $15.33/hour. Using these figures, benefits constitute a markup of $15.33/$33.45 ~ 46%. Taking 46% for cost of benefits, we arrive at an annual compensation of $238,132 = $163,104 × 146%. *See* Press Release, Bureau of Labor Statistics, Employer Costs for Employee Compensation—December 2025 (March 20, 2025), https://www.bls.gov/news.release/pdf/ecec.pdf.

[4] The 2024 Communications Marketplace Report reports that total revenue for broadcast radio stations was $15.2 billion in 2023. *Communications Marketplace Report*, GN Docket No. 24-119, 2024 Communications Marketplace Report, 39 FCC Rcd 14116, 14298, para. 288 (2024). If the net social benefits that emerge from transactions approved under the case-by-case analysis exceed just 0.01% of total industry revenue, benefits will exceed costs.

B. Local Television Ownership Rule

6. The rules adopted today are necessary to ensure that broadcast television stations remain viable and continue to deliver public interest benefits. Broadcast television has lost both viewers and advertising revenue to non-broadcast video services.[5] The rules adopted today will allow applicants to propose television station combinations that exceed the two station limit giving the Commission the opportunity to review these transactions and approve those where the social benefits exceed the social costs. Under the case-by-case approach, the Commission will consider the public interest effects of a transaction, namely how the transaction would affect competition, localism, and viewpoint diversity. If the benefits outweigh the costs, the transaction will be approved.

7. Moving to a case-by-case approach for television station transactions that exceed the baseline ownership limits may increase the Commission's costs if additional staff are needed to review station transactions. While the Media Bureau already has a team charged with reviewing television station transactions, if the volume of station transactions significantly increases and an additional staff member is needed to help review these transactions, the cost to the Commission would be about $238,132 annually.[6]

8. Since the Commission will approve only those television station transactions in which the benefits exceed the costs, this rule change will be net beneficial as long as the social benefits are greater than the increase in the Commission's administrative costs. We expect this to be the case because our estimate of the additional staff costs is extremely small compared to total TV station revenue.[7]

[5] Fox NPRM Comments at 18; Gray NPRM Comments at 3-4, 9-14; NAB NPRM Comments at 89-98; Nexstar NPRM Comments at 6-7; Network Affiliates NPRM Reply at 13-14.

[6] Reviewing these transactions requires significant legal and technical expertise, so we assume that the employee would have a relatively high level of total compensation. A Washington DC area employee of the pay grade level GS-14 step 5 earns $163,104 annually. Office of Personnel Management, Salary Table 2026-DCB, https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2026/DCB.pdf (accessed July 20, 2026). According to the Bureau of Labor Statistics, as of December 2025, civilian wages and salaries averaged $33.45/hour and benefits averaged $15.33/hour. Using these figures, benefits constitute a markup of $15.33/$33.45 ~ 46%. Taking 46% for cost of benefits, we arrive at an annual compensation of $238,132 = $163,104 × 146%. *See* Press Release, Bureau of Labor Statistics, Employer Costs for Employee Compensation—December 2025 (March 20, 2025), https://www.bls.gov/news.release/pdf/ecec.pdf.

[7] The 2024 Communications Marketplace Report reports that total revenue for broadcast television stations was nearly $37 billion in 2023. *Communications Marketplace Report*, GN Docket No. 24-119, 2024 Communications Marketplace Report, 39 FCC Rcd 14116, 14284, Fig. II.E.15 (2024). If the net social benefits that emerge from transactions approved under the case-by-case analysis exceed just 0.001% of total industry revenue, benefits will exceed costs.