

STATEMENT OF CHAIRMAN TOM WHEELER

Re: *Amendment of the Commission's Rules Concerning Market Modification, Implementation of Section 102 of the STELA Reauthorization Act of 2014*, MB Docket No. 15-71.

Market modification rules for satellite TV hardly sounds like a kitchen-table issue, but to understand why today's item is important to consumers across America, you need only read a letter to the Commission from former Arkansas Congressman Mike Ross. He writes, "For reasons I have never fully understood, seven counties in my district are located in the Shreveport, Louisiana [market] and two counties are located in the Monroe, Louisiana [market] ... This means that thousands of my constituents receive Louisiana news, weather, and sports. It means that, on Fall Saturdays, they have to watch LSU Tigers football rather than Arkansas Razorbacks football." The college football fans in the room appreciate that this is no joking matter for these constituents. With today's action, the Commission moves to make sure that arcane regulations don't preclude satellite TV customers from accessing in-state coverage of news, emergency information, or their local sports teams.

The Communications Act and Copyright Act require satellite carriers to use the Nielsen Company's Designated Market Area (DMA) assignments to determine which TV broadcast stations to carry and include in their local programming packages to subscribers. DMAs frequently cross state lines and thus may include counties from multiple states.

As a result of DMA designations, some satellite subscribers, like the ones I mentioned in Southern Arkansas, are unable to receive in-state broadcast television stations. These areas are known as "orphan counties."

Satellite subscribers in "orphan counties" often lack access to in-state news, sports, public affairs, political information, and emergency information, such as severe weather alerts, school closings, road closures, and other breaking news. In addition, some of these subscribers may be located in rural areas that are unable to receive in-state stations over the air and that may have limited, if any, broadband service.

The STELA Reauthorization Act of 2014 (STELAR) gave the Commission authority to modify a commercial TV broadcast station's local television market for purposes of satellite carriage rights. Market modification through STELAR allows the Commission, at the request of a broadcaster or cable operator, to add or delete communities from a station's local television market to better reflect market realities. The Commission previously had such authority to modify a station's local television market only in the cable carriage context.

The Commission proposes to apply the existing cable rule to the satellite carriage context, while adding rules to address the unique nature of satellite television service, such as giving carriers an exception if the resulting carriage is "not technically and economically feasible."

The Commission is initiating this proceeding to enable satellite subscribers in certain communities to gain access to in-state and other programming that better serves the interests of those communities. The proposal would, as Congress directed, create regulatory parity between satellite and cable television providers.

Note, however, that the ability of the market modification provision to successfully address orphan county problems will depend in large part on broadcasters' willingness to grant retransmission consent and satellite carriers' technical and financial ability to provide the in-state stations.

STELAR requires the Commission to issue final rules in this proceeding on or before September 4, 2015. Today's action puts us on track to meet our obligations.