

STATEMENT OF COMMISSIONER AJIT PAI

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.

For residents of La Plata County, Colorado, who subscribe to satellite television, “local” news focuses on the weather in cities hundreds of miles away. Political coverage is devoted to elections in New Mexico. This is because La Plata County, and its neighbor, Montezuma County, are “orphan counties” in the Albuquerque-Santa Fe Designated Market Area, or DMA.¹ An orphan county is one that can’t receive some or even any broadcast signals that originate in-state.² As a result, residents in an orphan county must rely on out-of-state broadcasters to provide in-state news about issues of local interest.

Sometimes, out-of-state broadcasters don’t meet those needs. And that lack of local information can have a serious impact—beyond school closures, weather emergencies and the like. For example, there are tens of thousands of residents in Ashley County and Union County, Arkansas, who are a part of the Monroe, Louisiana, DMA. On Saturdays in the fall, they can only watch the LSU Tigers, instead of their beloved Razorbacks.³ I’m sure that’s enough for many of them to want to give a kick to their Cajun brethren—and I don’t mean the Golden Boot.⁴

But more seriously, orphan counties are a national concern. When the FCC last investigated the issue in 2010, there were 1.87 million households that were unable to receive *any* in-state stations via satellite service.⁵

To be clear, many broadcast stations do an excellent job of covering out-of-state news. For instance, people who live in Arlington, Virginia, benefit from receiving broadcast stations located in Washington, DC, instead of Richmond, Virginia, because the weather in Arlington is certainly more similar to the weather in Washington than in Richmond. And Washington stations know how many of their viewers are affected by the Virginia governor’s race.

That calculus changes, however, with geographically distant and sparsely populated orphan counties. For example, the Albuquerque DMA contains 679,380 households, but only about 27,000 of those—less than 4%—are in Colorado. It might not make economic or practical sense for an Albuquerque station to send reporters hundreds of miles to Colorado to cover stories that the vast majority of its viewers ordinarily would not care about. As a result, thousands of Coloradans, and other residents of geographically distant orphan counties, have been left without an option for truly local news.

Fortunately, Congress has stepped in to fix the problem. In the Satellite Television Extension and Localism Act Reauthorization Act of 2014, Congress directed the Commission to establish a process for modifying television markets for satellite providers and to favor cable and satellite market modification

¹ *In-State Broadcast Programming: Report to Congress Pursuant to Section 304 of the Satellite Television Extension & Localism Act of 2010*, MB Docket No. 10-238, Report, 26 FCC Rcd 11919, 12480–81 (Media Bur. 2011) (App’x F) (*In-State Broadcast Programming Report*).

² *Id.* at 11922, para. 5.

³ Letter from Congressman Mike Ross to Julius Genachowski, Chairman, FCC, MB Docket No. 10-238 (Jan. 25, 2011), available at <http://apps.fcc.gov/ecfs/document/view?id=7021028155>.

⁴ See http://en.wikipedia.org/wiki/Arkansas%E2%80%93LSU_football_rivalry#Golden_Boot_era.

⁵ *In-State Broadcast Programming Report*, 26 FCC Rcd at 11934, para. 28.

requests that “would promote consumers’ access to television broadcast station signals that originate in their State of residence.”⁶ In other words, they could get news that matters more to them.

Today’s Notice of Proposed Rulemaking begins the process of implementing this important statutory provision and does so consistent with Congressional intent. I am pleased to support it. I look forward to hearing what the public has to say and am hopeful that we ultimately make it easier for satellite and cable subscribers to watch the news they care about.

Finally, I would like to thank my colleagues for incorporating my suggestions and those in the Bureau—Evan Baranoff, Steve Broeckaert, Mary Beth Murphy and Kalpak Gude—for their hard work. I look forward to working with all of them in the months ahead to meet the September 4, 2015 deadline set by Congress for issuing final rules in this proceeding.

⁶ 47 U.S.C. §§ 338(l)(2)(B)(iii), 534(h)(1)(C)(ii)(III).