



**Hearing on
“The Reauthorization of STELAR”**

**United States Senate
Committee on Commerce, Science and
Transportation**

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Statement of Emily Barr

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Introduction

Good morning Chairman Wicker, Ranking Member Cantwell and members of the committee. My name is Emily Barr and I am the President and CEO of Graham Media Group, owner of seven local television stations across the United States – KPRC–Houston (NBC), WDIV–Detroit (NBC), WSLS–Roanoke (NBC), KSAT–San Antonio (ABC), WKMG–Orlando (CBS), WJXT–Jacksonville (fully local) and WCWJ–Jacksonville (CW). I appreciate the opportunity to testify on behalf of the National Association of Broadcasters, where I serve as the Television Board chair, and its more than 1,300 full-power, free and local broadcast television stations that provide uniquely valuable service to our hometowns.

Local broadcasters continue to believe that the Satellite Television Extension and Localism Act Reauthorization (STELAR) should be allowed to expire at the end of 2019 – the date that Congress intentionally chose for this temporary law to sunset. Not only have its provisions become unnecessary and ineffective, but today STELAR affirmatively harms viewers who are being denied access to their local television stations as the result of its continued reauthorization.

Broadcasters: The Authentic, Local Voice Passionately Informing and Celebrating Our Communities

In today's hyper-competitive media landscape, broadcasters are *the* authentic, local voice passionately informing and celebrating our communities. Local broadcast television remains the most-watched source of news, entertainment programming, sports, emergency information and investigative journalism in communities across America. Your constituents turn to our local stations to get the weather report, learn how to help neighbors in need and watch trusted local news anchors and reporters deliver unbiased accounts of what is happening in their hometowns. Local broadcasting is the critical electronic glue that binds every community together, keeping them informed and safe. This is our industry's North Star.

At Graham Media Group, we are deeply committed to informing and improving our communities in a multitude of ways. Just this year, two of our local stations – KPRC 2 News in Houston and WDIV Local 4 in Detroit – were each recognized with Edward R. Murrow awards for exemplary public service and outstanding journalism. KPRC received this prestigious award for its team coverage of the May 2018 school shootings in Santa Fe, Texas. The KPRC news team worked to provide complete and compassionate coverage to its community in the immediate wake of these horrific events. WDIV received the award for its excellence in the use of sound in storytelling. I am enormously proud of our local broadcasters, who always go the extra mile to inform their communities.

In Florida, WKMG-TV in Orlando has received national accolades for its journalism, which has recently led to significant changes in state law. These include multi-year reporting efforts to update Florida law making texting and driving a primary offense and allowing workers' compensation for first-responders diagnosed with post-traumatic stress disorder (PTSD). We were particularly honored that then-Governor Rick Scott, now a member of this committee, recognized WKMG-TV's reporting on the Pulse Nightclub shooting and the resulting first-responders' struggles with PTSD when he signed the Workers' Compensation Benefits for First Responders Act into law. WKMG-TV's News 6 anchor Matt Austin who led the charge for additional safety – and is himself a victim of a serious texting and driving automobile accident – summarized broadcasters' unique role in their local communities: "You see a problem, and together with your neighbors, you work to solve it. When you can ultimately change laws that can save lives, well, that is what good journalism is all about. That is what being of service to your community is all about."

While local television broadcasters make significant investments and sacrifices to cover emergency situations of all kinds, it is our continuous coverage in the aftermath of these crises that connects us to the community. For example, beyond WJXT's recent wall-to-wall coverage of Hurricane Dorian which kept our viewers safe and out of harm's way, the station separately produced an hour-long documentary providing a raw, real and graphic look at the destruction in our neighboring Bahamas caused by this record

storm. The WJXT team spent four days on the ground and in the air covering the disaster from the hardest-hit areas. The eye-opening film, “96 Hours of Anguish,” aired on WJXT and features Bahamians who are struggling to survive as well as Florida-based volunteer operations delivering life-sustaining supplies into the hard-to-access islands. It is this focused investment on the unique issues of importance to our local communities that distinguishes broadcasting from other mediums.

I have worked in all aspects of local broadcast television for nearly four decades. I have held the position of news editor, creative services director, operations manager, general manager and am now a CEO. As a result, I am proud of the unique services broadcasters provide their local communities, but I also understand the business and financial costs of running a newsroom, investing in state-of-the-art equipment, producing award-winning investigative journalism and enabling our stations to go above-and-beyond when our neighbors need it most. To fulfill our unique and indispensable role in the communities we serve, broadcast television must have the ability to reach our local viewers on every platform and earn fair compensation for our programming. Broadcasters urge you to consider these enduring benefits when you are asked by pay-TV companies to support proposals that would either limit your constituents’ access to their local broadcast signals or undermine broadcasters’ ability to receive fair compensation for our programming during retransmission consent negotiations.

STELAR’s Distant Signal License Harms Viewers by Denying Them Local Stations

When enacted 30 years ago, STELAR’s distant signal license allowed nascent satellite television companies to better compete with big cable monopolies when the technology did not otherwise exist for those providers to carry local broadcast stations. On a temporary basis, Congress allowed the satellite companies to serve their subscribers with a broadcast station operating outside of the local community at a discounted rate in order to ensure that those households could receive their favorite network programming.

That law was wildly successful, yet the market and media landscape have fundamentally changed over the past three decades. Today, there is no technological impediment to delivering local station signals to all markets, and those satellite companies are now media behemoths who do not need a subsidy: AT&T-DIRECTV is a \$280 billion company, and DISH is a \$17 billion company. DISH is providing this local service in all 210 local markets today and has been for nearly a decade, yet AT&T-DIRECTV continues to offer only out-of-town signals to viewers in 12 markets simply because it is more profitable for the company.

As pointed out by the U.S. Copyright Office in calling for STELAR's distant signal expiration, the number of households being denied their local network channels is shrinking. Although only AT&T-DIRECTV and DISH have access to a detailed breakdown of the precise numbers – which they have refused to give to members of this committee, among others – NAB estimates that only 500,000 households were still served under STELAR's distant signal license in 2017. For those households, the impact is still significant, as they were denied access to their local ABC, CBS, FOX or NBC broadcast stations and instead received an imported signal from another market, primarily from New York City or Los Angeles.

The reason for this continued misuse of STELAR's distant signal license by these billion-dollar satellite companies is simple. Royalties under this outdated license are discounted substantially below the carriage fees for these stations negotiated in the market by other pay-TV providers. This below-market subsidy incentivizes the satellite companies to deny viewers local news, weather and lifesaving emergency information, while still charging their subscribers hefty fees each month for an out-of-market station.

Viewers will benefit from eliminating this outdated law, ensuring they receive the local content most relevant to them. In rare instances where a local broadcast channel is not available, private business arrangements between satellite TV providers and broadcasters can resolve these issues. Broadcasters applaud those members of Congress, many on this committee, who have stood up and raised concerns over their constituents' limited access to local broadcasting which this law incentivizes.

Pay-TV Companies Use the Recurring STELAR Reauthorization Process to Turn Viewers into Pawns

In an earlier reauthorization of STELAR, Congress added a requirement that broadcasters and pay-TV providers negotiate in good faith for carriage of local TV stations. While well intended, the expiring good faith requirements have provided no quantifiable benefit to broadcasters, pay-TV providers or American consumers. This is in large part because both parties have every incentive to reach a deal and serve consumers on their own accord. The countless agreements successfully completed outside this broadcast-only framework reveal that this well-intentioned provision simply does not justify STELAR's reauthorization.

Most significantly, however, this cycle of repeated reauthorizations now affirmatively causes great harm to consumers. During a time when broadcasters' trusted information is increasingly critical to local communities, some pay-TV companies seem to be manufacturing a "blackout" crisis, withholding broadcast signals from viewers simply to justify their proposed changes to the retransmission consent laws that aim to tilt the negotiating scales in their favor at the expense of local viewers. Over the past five months alone as Congress has debated STELAR, AT&T-DIRECTV has been involved in 10 retransmission consent impasses with broadcast groups across the country impacting more than 179 stations. (By comparison, during this same period last year, AT&T-DIRECTV was involved in only one impasse and it affected only a single station.) These anti-consumer negotiating tactics are encouraged every five years by STELAR's renewal.

The fact is, the good faith provisions have only been enforced once in their 20-year history – against a pay-TV provider that was found to have violated them. Broadcasters have every incentive to efficiently negotiate in good faith to allow the retransmission of their content to as many viewers as possible, while reinvesting those revenues in local news, journalism and entertainment programming. The harm posed to

viewers by STELAR's cyclical five-year reauthorization simply does not justify the claimed consumer benefit.

Conclusion

Congress should allow STELAR to expire as it originally intended. There is no policy justification or technological reason to renew this outdated law, and any temporary reauthorization harms viewers.

Thank you again for the opportunity to discuss this issue critical to America's broadcasters and the communities we serve. I look forward to your questions.