

Responses to Written Questions Submitted by Chairman Roger F. Wicker to Honorable Gordon Smith

*Question.* To ensure Americans in so-called “orphan counties” are able to receive relevant broadcast signals (i.e. in-state, but out-of-market broadcast programming), broadcasters are free to provide retransmission consent without compensation, are they not? Moreover, broadcast stations could waive their network non-duplication and syndicated exclusivity rights in those limited circumstances, couldn’t they?

*Response.* As a matter of law, local broadcasters are able to offer retransmission consent without compensation, and in certain cases they choose to do so. However, the production of locally-focused news, investigative journalism, weather, sports and entertainment content is costly, and the loss of retransmission consent revenues would undermine local stations’ ability to offer a high quality product. Further, the pay-TV industry’s suggestions that broadcasters ought to waive their retransmission consent right in any circumstance devalues this local content.

Network non-duplication and syndicated exclusivity rights are the backbone of a legal regime that has enabled this country’s locally-focused broadcast industry to flourish. As a result, last year, 95 out of the 100 most watched shows were on broadcast television, and that high quality entertainment and sports programming is coupled with locally-focused content in 210 distinct media markets. The law does allow cable and satellite operators the right to negotiate for out-of-market broadcast stations, most notably where the Federal Communications Commission (FCC) approves a market modification or when the out of market broadcast station is considered a “significantly viewed” station.

Responses To Written Questions Submitted by Honorable Rick Scott to Honorable Gordon Smith

*Question.* Rural Americans rely on local broadcasting for critical information and news about their local communities and emergency information. Major satellite television providers are carrying television stations from outside these rural areas rather than local stations themselves.

Senator Smith, as I witnessed firsthand as Governor, local broadcast stations play a critical role across the state of Florida when it comes to keeping our communities safe and informed, particularly during hurricane season. Could you explain how STELAR can impact viewer's ability to receive local emergency broadcasting during a natural disaster?

Response. STELAR allows satellite operators to import the distant signal of a New York City or Los Angeles broadcast television station to subscribers in markets like Bowling Green, Kentucky and Glendive, Montana. Subscribers in these markets will still receive national network content, but instead of receiving the local news and emergency weather coverage you reference, they see traffic updates on the Holland Tunnel or a car chase on the I-5.

At the law's outset, the technology simply did not exist for the nascent satellite industry to provide viewers their local broadcast stations. Fortunately, that is no longer the case and there is no technological justification for the multi-billion dollar satellite industry to avail themselves of this congressional subsidy instead of investing in the local carriage that will better serve their viewers.

STELAR is an outdated law whose main function now is to deprive local viewers in small, rural markets from receiving what is in some cases life-saving emergency and weather alerts, among a host of other valuable information and services that local broadcast stations offer their communities. For the benefit of viewer safety during a natural disaster or other emergency situation, Congress should allow STELAR to sunset at the end of this year as scheduled.