

Before the
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, DC 20554

In the Matter of)
)
2018 Quadrennial Regulatory Review – Review of) MB Docket No. 18-349
The Commission’s Broadcast Ownership Rules and)
Other Rules Adopted Pursuant to Section 202 of)
The Telecommunications Act of 1996)

COMMENTS OF WRITERS GUILD OF AMERICA, WEST, INC.

Garrett Andrew Schneider, PhD
Senior Research & Policy Analyst

April 29, 2019

Jennifer Suh
Senior Research & Policy Analyst

Writers Guild of America, West, Inc.
7000 West Third Street
Los Angeles, CA 90048

TABLE OF CONTENTS

I. INTRODUCTION.....1

II. BROADCAST TELEVISION CONTINUES TO WARRANT SPECIAL REGULATIONS.....2

 A. *Live and Broadcast Content Remains In-Demand*.....3

 B. *Internet Sources Do Not Offer Adequate Substitutes for Broadcast Television*.....5

III. BROADCAST TELEVISION OFFERS A DISTINCT AND NON-SUBSTITUTABLE ADVERTISING PRODUCT.....7

IV. REPEAL OF THE DUAL NETWORK RULE WOULD RESULT IN HARMFUL CONSOLIDATION.....9

 A. *Harm to Entertainment Programming*.....11

 B. *Harm to News Programming*.....12

V. CONCLUSION.....13

I. Introduction

Writers Guild of America, West, Inc. (“WGAW”) is pleased to respond to the Federal Communication Commission’s (“FCC”) Notice of Proposed Rulemaking (“NPRM”), “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,” issued December 13, 2018, MB Docket No. 18-349.

This NPRM seeks comment on the continued relevance of the Dual Network rule amidst a list of changes to the media marketplace including the availability and popularity of online video and news content.¹ Specifically, the FCC asks whether “the [Dual Network] rule remains necessary to promote our goals of competition, viewpoint diversity and localism. In addition, we seek comment on whether the benefits of the rule continue to outweigh the costs.”² The Dual Network rule originated from a 1938 investigation into what special regulations of radio broadcasters were required in order to safeguard “the public interest, convenience, or necessity,” criteria which have guided the FCC since its creation.³ The FCC remains obligated to regulate the use of the airwaves in a way that upholds the public interest in an open and pluralistic broadcast system and ensures that the public benefits from the private licensing of a scarce and valuable public resource. Despite changes in the video distribution ecosystem, the four major broadcast networks (the “Big Four”) continue to provide programming with uniquely national reach and local relevance that attracts large audiences and significant advertising dollars. The

¹ In the Matter of 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, *Notice of Proposed Rulemaking*, MB Docket 18-349, 2 (Dec. 12, 2018) (“*NPRM*”).

² *Id.* at ¶ 77.

³ 6 FR at 2282 (Tuesday, May 6, 1941).

valuable marketplace in which those broadcasters operate continues to warrant special protection. In its absence, harmful consolidation is virtually certain, which would allow an even smaller number of conglomerates to dominate the public airwaves. This outcome would reduce video competition and diversity of information, narrow options for viewers, and damage the provision of local news. WGAW strongly opposes the modification or repeal of the Dual Network rule.

WGAW comments on this NPRM as a labor organization representing more than 10,000 professional writers of film, television, online video, local news, and documentaries. Virtually all scripted entertainment seen on television and in theaters is written by members of WGAW and its affiliate, Writers Guild of America, East (jointly, “WGA”). Of particular relevance to this proceeding, WGA members create nearly all scripted primetime programming aired by the major broadcast networks, as well as local news for television and radio stations in Los Angeles.

II. Broadcast Television Continues to Warrant Special Regulations

The Big Four broadcast networks—ABC, CBS, Fox and NBC—distribute programming in a manner distinct from most other forms of professionally-produced video media: for free via the public airwaves. The Big Four and the stations that broadcast their networks profit substantially from the free use of spectrum and are granted a set of unique legal protections in the form of retransmission consent and must-carry rights. This privileged access to the public, licensed and regulated by the government, comes in exchange for special restrictions and obligations to serve the public interest. One of those restrictions is the Dual Network rule, which currently prevents a single person or entity from owning two of the Big Four broadcast networks. While changes in the media landscape are undeniable, these four networks continue to provide a

unique offering to the public and to profit substantially from the unmatched demand for their content.

A. Live and Broadcast Content Remains In-Demand

As an initial matter, live television across broadcast and cable remains the dominant medium for video consumption among U.S. adults despite the rise of online video distribution and changes in viewing habits. Nielsen's latest *Total Audience Report* found that 86% of U.S. adults watched live and time-shifted TV and 79% of the average time spent per adult per day on video was spent on live and time-shifted TV.⁴ In addition, despite perennial claims that the broadcast market is no longer unique and its transmission protections are no longer needed,⁵ the number of homes receiving broadcast programming over-the-air has increased 48% over the past eight years.⁶

Programming on the Big Four networks remains the most popular segment of the primetime television market. Among the 100 highest rated primetime series for adults in the 2017-2018 season, 85% aired on broadcast and only 15% aired on cable.⁷ Broadcast programming continues to capture the largest audiences; the Big Four's average primetime

⁴ Nielsen, *The Total Audience Report*, Q3 2018, at 4, 13 (2017). Population is P18+.

⁵ Comments of CBS Corporation in the Matter of 2010 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. 09-182 (Aug. 6, 2014).

⁶ Jon Lafayette, *Nielsen Sees New Types of Over-the-Air Homes*, *Broadcasting & Cable* (Jan. 14, 2019), <https://www.broadcastingcable.com/news/nielsen-sees-new-types-of-over-the-air-homes>.

⁷ Excl: Daytime football, repeats, specials, movies, pre/post sports, and post-season sports (i.e. playoffs), shows with fewer than five telecasts. Michael Schneider, *These are the 100 Most-Watched TV Shows of the 2017-18 Season: Winners and Losers*, *Indie Wire* (May 25, 2018), <https://www.indiewire.com/2018/05/most-watched-tv-shows-2017-2018-season-roseanne-this-is-us-walking-dead-1201968306/>.

ratings ranged from 0.95 for Fox to 1.84 for NBC, while the most watched basic cable channel, Fox News, averaged 0.67.⁸

Rapidly increasing retransmission revenues for broadcast stations over the past 5 years attests to the enduring value of broadcast programming. From 2013 to 2017, broadcast stations' gross retransmission revenue increased at a compound annual growth rate of 26.9%.⁹ In 2017, retransmission revenue rose to \$9.37 billion and is predicted to reach \$12.8 billion by 2023.¹⁰ Multichannel video programming distributors ("MVPDs") pay these increasing fees because of broadcast television's marquee, non-substitutable programming which audiences demand.

Broadcast programming remains irreplaceable to both audiences and distributors even in the context of online video's rapid growth. Netflix is the largest streaming service and digital video producer, spending an estimated \$8 billion on original content in 2018,¹¹ yet the ten most watched series on its platform originally aired on broadcast television: *The Office* (NBC), *Friends* (NBC), *Parks and Recreation* (NBC), *Grey's Anatomy* (ABC), *New Girl* (FOX), *Supernatural* (The WB), *That '70s Show* (FOX), *Criminal Minds* (CBS), *NCIS* (CBS), and *Arrested Development* (FOX).¹² The most-watched Netflix original, *Orange is the New Black*,

⁸ Nielsen National TV View, P2+ Live Ratings for Sept. 1, 2017 through Aug. 31, 2018. Broadcast network ratings are Broadcast Primetime; Basic Cable network ratings are Cable Primetime.

⁹ S&P Global Market Intelligence, *Broadcast Industry Overview: U.S. TV & Radio Stations, 2018 Edition* at 9. ("Broadcast Industry Overview").

¹⁰ S&P Global Market Intelligence, *Broadcast Retransmission Fee Projections, 2006-2023*, (June 14, 2017).

¹¹ Dana Feldman, *Netflix's Content Budget Is Updated To \$13B for 2018*, Forbes (Jul. 9, 2018), <https://www.forbes.com/sites/danafeldman/2018/07/09/netflixs-content-budget-is-updated-to-13b-in-2018/#3822bf112b8c>.

¹² Rani Molla, *Here are some of the most popular shows on Netflix—which may be leaving Netflix soon*, Recode (Dec. 21, 2018), <https://www.recode.net/2018/12/21/18139817/netflix-most-popular-shows-friends-office-greys-anatomy-parks-recreation-streaming-tv>.

ranks fourteenth. Netflix recently made headlines by paying WarnerMedia \$100 million to keep *Friends* on its platform for another year, highlighting the unique value of broadcast programming.¹³

B. Internet Sources Do Not Offer Adequate Substitutes for Broadcast Television

Broadcast networks offer original programming, cover events relevant to the public interest such as political elections, produce local content, and air must-have sports programming. While subscription streaming services have released a number of popular scripted and unscripted original series, streaming services tend to be weak or non-existent competitors in several key areas. Amazon, Facebook, and Twitter entered the market for premier sports rights but found that traditional networks have long-term contracts with the most popular leagues and events, while Netflix has no plans to expand into live sports.¹⁴ When streaming services do acquire major sports rights, viewership has been lackluster. Amazon reported an average-minute audience of 500,000 across 224 countries for its live streams of the 2018 season of *Thursday Night Football*, which was dwarfed by the 14.3 million Fox viewers in the U.S. alone.¹⁵ Consumers and sports rights owners remain concerned about the quality of live streams and do not see streaming sports as a substitute for traditional television. As NFL Chief Media and Business Officer Brian Rolapp

¹³ Edmund Lee, *Netflix Will Keep 'Friends' Through Next Year in a \$100 Million Agreement*, The New York Times (Dec. 4, 2018), <https://www.nytimes.com/2018/12/04/business/media/netflix-friends.html>.

¹⁴ Todd Spangler, *Big Media, Silicon Valley Battle for Multibillion-Dollar Sports TV Rights*, Variety (Jan. 30, 2018), <https://variety.com/2018/digital/features/olympics-rights-streaming-nbc-winter-games-1202680323/>; Steve McCaskill, *Why It Makes Sense For Netflix To Have 'No Plans' For Live Sports Content*, Forbes (Sept. 18, 2018), <https://www.forbes.com/sites/stevemccaskill/2018/09/18/why-it-makes-sense-for-netflix-to-have-no-plans-for-live-sports-content/#6fecc0b0b8a9>.

¹⁵ Tim Baysinger, *'Thursday Night Football' Sees Small Uptick in Viewers in First Fox Season*, The Wrap (Dec. 14, 2018), <https://www.thewrap.com/thursday-night-football-sees-small-uptick-in-viewers-in-first-fox-season/>.

said in 2018, “We can reach 25 million people [on broadcast TV], and I have not seen a live event on the Internet that can serve 25 million concurrent users at a high quality.”¹⁶ Of the 100.7 million average-minute viewers of Super Bowl LIII in 2018, less than 3% streamed the game.¹⁷ As testament to the continued earnings power of broadcast television, the 2018 Super Bowl proved to be the single highest revenue day in CBS history, with in-game ad sales of \$382 million according to one estimate.¹⁸

Of even greater concern to the FCC’s mandate to protect the public interest and localism, none of the major streaming video services offer original or local news programming, a key feature of broadcast television that remains vital to our democracy and valued by the public. According to the Pew Foundation, 41% of Americans prefer to get local news via television, more than any other medium,¹⁹ and 38% say they often turn to local TV stations more than any other news source.²⁰ While ad-supported streaming services from YouTube and Facebook distribute original news produced by digital brands such as *Cheddar News* and *The Young Turks*, their segments have meager reach when compared with broadcast television, rarely counting 100,000 views on either platform within seven days. In contrast, the top evening news program

¹⁶ *Id.*

¹⁷ Jon Lafayette, *Super Bowl Drew 100.7M Viewers, Down 2.6%*, Broadcasting and Cable (Feb. 4, 2019), <https://www.broadcastingcable.com/news/super-bowl-drew-100-7m-viewers-down-2-6>.

¹⁸ Anthoni Crupi, *CBS Prepared To Do ‘Whatever Is Necessary’ To Retain NFL Rights*, AdAge (Feb. 15, 2019), <https://adage.com/article/media/tech-companies/316649>.

¹⁹ *For Local News, Americans Embrace Digital but Still Want Strong Community Connection*, Pew Research Center (Mar. 26, 2019), <https://www.journalism.org/2019/03/26/for-local-news-americans-embrace-digital-but-still-want-strong-community-connection/>.

²⁰ *Id.*

on broadcast television, *ABC World News Tonight*, surpassed 8.6 million average-minute viewers for the 2017-2018 season.²¹

While increasing numbers of Americans report getting news online,²² few other digital news outlets represent new voices or increase diversity of perspective either nationally or locally. Online news aggregators do not produce original reporting, and the most popular online news providers are often legacy news outlets recycling content from other media. As of January 2019, the majority of the top 15 U.S. news websites are owned either by legacy newspaper operations or by incumbent media conglomerates such as WarnerMedia or Comcast-NBC Universal.²³ While the Internet has given consumers access to a variety of content on new platforms, as the FCC notes,²⁴ this does not necessarily indicate increased competition with broadcast television from diverse and independent sources of robust news coverage.

III. Broadcast Television Offers a Distinct and Non-Substitutable Advertising Product

In assessing the continued need for the Dual Network rule, the Commission also asks whether broadcast television continues to be differentiated by advertising rates.²⁵ Here as well, changes to the media landscape have not altered broadcast networks' positioning as sellers of the most valuable advertising product, or the related and substantial profits the networks enjoy.

Within the national advertising market, the Big Four networks continue to operate as a strategic

²¹ A.J. Katz, *Here Are the Evening News Ratings for 2017-2018 Season, Q3 and the Week of Sept. 17*, TV Newser (Sept. 25, 2018), <https://www.adweek.com/tvnewser/evening-news-ratings-2017-2018-season-q3-2018-week-of-sept-17-2018/377690>

²² *For Local News, Americans Embrace Digital but Still Want Strong Community Connection*, Pew Research Center (Mar. 26, 2019), <https://www.journalism.org/2019/03/26/for-local-news-americans-embrace-digital-but-still-want-strong-community-connection/>.

²³ *Top 15 Most Popular News Websites January 2019, by unique monthly visitors*, The eBusiness Guide, <http://www.ebizmba.com/articles/news-websites>. WGAW analysis.

²⁴ NPRM, ¶ 2.

²⁵ NPRM, ¶ 81.

group with pricing power vis-à-vis advertisers. Only broadcast advertising can reach a national mass audience at once with a guarantee of brand safety—a growing concern as digital ad placements are difficult to control and major brands have suffered reputational harm from appearing alongside unsavory online content.²⁶ Additional digital challenges such as ad space crowding, the ease of bypassing ads, and inaccurate measurements of ad exposure all make digital advertising an inadequate substitute for the broadcast networks.²⁷ Cable networks do not offer an adequate substitute either given their much lower average ratings, aside from a handful of marquee programs. Cable networks cannot match the value proposition of broadcast television: the highest-earning broadcast network, NBC, collected \$4.64 billion in net advertising revenue in 2018, while ESPN had the highest net advertising revenue in basic cable at \$2.29 billion.²⁸

As a result of the continued demand and pricing power of the Big Four, the broadcast television ad business endures despite changes in viewing behavior. During the 2018 Upfronts, an annual event at which the broadcast networks showcase their fall primetime lineup to major advertisers and pre-sell commercial time slots, all Big Four networks secured increases in primetime advertising sales for the third consecutive year.²⁹ NBC and CBS both saw double-digit

²⁶ Farhad Manjoo, *The Online Ad Industry Is Undergoing Self-Reflection. That's Good News*, *The New York Times* (Apr. 5, 2017), <https://www.nytimes.com/2017/04/05/technology/online-ad-industry-self-reflection.html>.

²⁷ Elizabeth Anne Watkins, *Guide to Advertising Technology*, *Columbia Journalism Review* (Dec. 4, 2018), https://www.cjr.org/tow_center_reports/the-guide-to-advertising-technology.php.

²⁸ S&P Global Market Intelligence, *TV Network Summary*, 2018 Net Advertising Revenue for Basic Cable and Broadcast (Jan. 2019).

²⁹ Brian Steinberg, *How TV Tuned in More Ad Dollars: Drug Money, Digital Doldrums Kept Madison Ave. Attention on Linear Viewers*, *Variety* (July 26, 2018), <https://variety.com/2018/tv/news/2018-tv-upfront-advertising-measurement-1202887144/>.

increases in CPMs³⁰ for their broadcast primetime programming.³¹ An AdAge survey found that average 30-second spots on broadcast network primetime increased in price 6% overall from 2016 to 2017.³² Although the digital advertising industry has grown significantly over the past decade, its growth has not wiped out the broadcast advertising business. In a recent report, media analysts at MoffettNathanson disputed a zero-sum competition for ad dollars between broadcast and digital products by arguing that they serve relatively distinct categories of advertisers.³³ This rationale for differentiating broadcast from non-broadcast content remains relevant in today's market.

IV. Repeal of the Dual Network Rule Would Result in Harmful Consolidation

The Dual Network rule currently prevents a merger between any of the Big Four television networks, providing a bulwark against consolidation in a valuable and unique market. The repeal of this rule would unquestionably lead to increased concentration in the national television marketplace, decreased diversity of content and creativity, and harm to local news.

The broadcast television ecosystem has and continues to experience significant consolidation at all levels and structures. The TV station deal market spiked in 2013, reaching \$11.4 billion in deal volume, the highest since 1999.³⁴ From 2011 to 2016, total deal flow in TV

³⁰ CPMs refers to “cost per mille,” the price of a thousand ad impressions.

³¹ Jason Lynch, *NBCUniversal Finishes Its \$6 Billion-Plus Upfront with 5% Volume Increases*, AdWeek (July 26, 2018), <https://www.adweek.com/tv-video/nbcuniversal-finishes-its-6-billion-plus-upfront-with-5-volume-increases/>; Jason Lynch, *CBS Finishes Upfront Sales With Double-Digit CPM Increases*, AdWeek (June 15, 2018) <https://www.adweek.com/tv-video/cbs-finishes-upfront-sales-with-double-digit-cpm-increases/>.

³² Jeanine Poggi, *TV's Most Expensive Ads: Brands Pay For Football and Tear*, AdAge (Oct. 2, 2017), <https://adage.com/article/news/tv-ad-pricing-chart/310429>.

³³ Michael Nathanson, et al., *U.S. Advertising: A False Dichotomy?*, MoffettNathanson Media & Telecom (Apr. 5, 2019).

³⁴ *Broadcast Industry Overview* at 13.

stations reached \$28.5 billion.³⁵ The FCC's roll back of the Local Television Ownership rule in 2017 encouraged nearly \$8 billion in station deals the following year.³⁶ The National Association of Broadcasters' petitioning of the FCC to effectively double the national audience reach cap under the National Television Multiple Ownership rule portends further station consolidation.³⁷

Repeal of the Dual Network rule would trigger consolidation throughout the broadcast ecosystem. Both Fox and CBS supported repeal of the Dual Network rule in the 2014 Quadrennial Review, when streaming video services were relatively new entrants into original content, and the two companies continue to seek increased scale via acquisition. Lachlan Murdoch, CEO of the New Fox company produced by Disney's acquisition of \$71.3 billion worth of Fox entertainment assets, has repeatedly stated his intention to strengthen New Fox's position in live sports and news through acquisitions.³⁸ Shari Redstone, President of National Amusements which controls both CBS and Viacom, has aggressively pushed to recombine both entities in preparation for a potential sale.³⁹ Independent station groups and MVPDs are likely to respond to a Big Four merger through reactive consolidation. MVPDs would pursue even greater scale in order to gain leverage against rising retransmission fees while independent station groups would do the same in order to hold down reverse retransmission fees and maintain influence over networks' programming decisions.

³⁵ *Id.* at 13.

³⁶ *Id.*

³⁷ National Association of Broadcasters, *Notice of Ex Parte Communication*, MB Docket No. 17-318 (February 13, 2019).

³⁸ Anousha Sakoui, *Lachlan Murdoch Wants the Drama to Be Onscreen at Revamped Fox*, Bloomberg (Mar. 15, 2019), <https://www.bloomberg.com/news/articles/2019-03-15/lachlan-murdoch-wants-the-drama-to-be-onscreen-at-revamped-fox>.

³⁹ William D. Cohan, *Shari Redstone Is Pulling Off the Corporate Coup Of The Century*, Vanity Fair (Feb. 2, 2019), <https://www.vanityfair.com/news/2019/02/shari-redstone-is-pulling-off-the-corporate-coup-of-the-century>.

A. Harm to Entertainment Programming

As the WGAW has argued in numerous proceedings before the Commission, horizontal and vertical integration has given a handful of companies almost complete control over the programming seen by American television audiences, and all but eliminated independently-produced scripted television, causing serious harm to diversity and choice.⁴⁰ Across all television in the 2016-17 season, the five (now four following the Disney-Fox acquisition) major media conglomerates of Comcast-NBCU, Time Warner (now WarnerMedia), The Walt Disney Company, 21st Century Fox and National Amusements, the parent company of CBS and Viacom, produced or co-produced 83% of original scripted series. Vertically-integrated media conglomerates increasingly prefer to own the programming broadcast on their networks in order to control and monetize it across reuse markets. In the same season, independent productions accounted for just 2% of primetime broadcast television, and 68% of network primetime programming originated in-house.⁴¹ The consolidation of Big Four networks would exacerbate conglomerate control over programming and further foreclose distribution to independent producers, many of whom are traditionally underrepresented voices and viewpoints, in favor of in-house producers. As the public's broadcast airwaves are increasingly foreclosed to non-in-

⁴⁰ Comments of the Writers Guild of America, West, Inc., in the Matter of Amendment of Section 73.3555(e) of the Commission's Rules, National Television Multiple Ownership Rule, WC Docket No. 13-236 (Nov. 4, 2013); Comments of the Writers Guild of America, West, Inc., in the Matter of 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, 2010 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, Promoting Diversification of Ownership In the Broadcasting Services, Rules and Policies Concerning Attribution of Joint Sales Agreements in Local Television Markets, MB Docket Nos. 14-50, 09-182, 07-294, 04-256 (Aug. 6, 2014).

⁴¹ WGAW analysis.

house TV producers and restricted to a handful of powerful companies, a Big Four merger would intensify the loss of media pluralism and viewer choice.

a. Harm to News Programming

Consolidation among the Big Four networks would be particularly detrimental to news coverage. As noted above, despite the growth of digital news outlets, the public still relies on local television stations—in large media markets, many are owned and operated by the networks themselves—for news that is essential to public safety, accountability, community, and democracy. Americans also overwhelmingly prefer journalists with a deep connection to and knowledge of the local community.⁴² However, consolidation has harmed local coverage and community engagement by eliminating competing voices.⁴³ The repeal of the Dual Network rule would encourage the Big Four to further consolidate television station operations and encourage independent station groups to reactively consolidate as well. The result would be centralization of news production and the repurposing of programming across stations in an effort to cut costs. Consolidation of the few remaining national broadcast news outlets would also further diminish the limited variety of well-resourced news programming, depriving the public of diverse viewpoints and in-depth coverage.

WGAW members have experienced firsthand the harmful effects of consolidation among broadcast stations. After the FCC relaxed restrictions on TV station duopolies in 1999, CBS acquired the Los Angeles station KCAL. CBS proceeded to combine the local newsrooms of KCBS and KCAL in 2002. Writers at the two stations describe a race to the bottom, in which

⁴² *For Local News, Americans Embrace Digital but Still Want Strong Community Connection*, Pew Research Center (Mar. 26, 2019), <https://www.journalism.org/2019/03/26/for-local-news-americans-embrace-digital-but-still-want-strong-community-connection/>

⁴³ Gregory J. Martin and Joshua McCrain, *Local News and National Politics*, *American Political Science Review* 113:2 (May 2019).

news staffs were cut to balance station budgets, news hours increased to fill out the schedule, and news content frequently repurposed between the two stations. The acquisition resulted in the loss of positions including KCAL's Education and City Hall reporters, both of which had provided dedicated coverage of local issues. The staff reductions and combined newsroom have made the news coverage and reporting from KCBS and KCAL almost indistinguishable, leaving the Los Angeles market with fewer unique, local sources of news content.

V. Conclusion

The FCC has a statutory obligation to uphold regulations that serve the public interest, convenience, and necessity. That obligation includes the prevention of harmful consolidation generally, but also additional safeguards for broadcast television, to ensure that companies with the privilege of profiting from free use of public airwaves use their broadcast licenses to serve the public interest. The protection afforded by the Dual Network rule remains justified despite changes in the video market. Neither cable networks nor online streaming services offer a genuine substitute for broadcast television and the Big Four networks remain strong and profitable competitors. Repealing the Dual Network rule would harm competition, reduce choice and variety of content, and diminish local news coverage. Moreover, the Dual Network rule is easily administrable and provides brightline guidance to market participants. Without the Dual Network rule, the policing of competition in broadcast television would fall to traditional antitrust laws, agencies, and the courts. The result would be vastly more expensive to the public and create more uncertainty for market participants. The Dual Network rule must be retained unmodified.