



**Hearing on
“Lights, Camera, Subscriptions: State of the Video Marketplace”**

**United States House of Representatives
Committee on Energy and Commerce**

Subcommittee on Communications and Technology

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**Statement of Curtis LeGeyt
President and Chief Executive Officer**

National Association of Broadcasters

I. Introduction

Good afternoon, Chairman Latta, Ranking Member Matsui and members of the subcommittee. My name is Curtis LeGeyt, and I am the president and chief executive officer of the National Association of Broadcasters (NAB). I am proud to testify today on behalf of our thousands of free, local, over-the-air television and radio station members who serve your constituents across the United States.

As we celebrate broadcasting's centennial anniversary, I appreciate the opportunity to reflect on the enduring value of broadcasting and share with you our unique and indispensable place in today's media marketplace. Broadcasters' critical role as first informers, emergency lifelines and entertainment media has never been more important as misinformation runs rampant online. Yet significant shifts in the media and advertising marketplace pose challenges to this uniquely free and local model, absent needed congressional and Federal Communications Commission (FCC) attention.

II. Broadcasters Play a Vital and Unique Role Among All Communications Media

In today's hyper-competitive media landscape, broadcasting remains the most popular source of news, entertainment programming, sports and investigative journalism in communities across America. More than 181 million adults watch broadcast TV on a monthly basis, and more than 227 million listeners tune into broadcast radio each week.¹ For the 2022-23 TV season, 79 of the top 100 series in primetime were aired by broadcasters.²

¹ Nielsen.

² *Id.*

Further, study after study shows that local broadcasters are the most trusted source of news and information.³ Our investigative reports have received both national and regional awards in journalism for exemplifying the importance and impact of journalism as a service to the community. For example, WTOL 11 in Toledo, Ohio, known for its local investigations into topics such as causes of road damage to a cold murder case, was recently honored with both a Regional Edward R. Murrow Award and a National Murrow Award for its multi-part investigation into sexual-assault reports at Cedar Point.⁴ Similarly, Sacramento's KCRA 3 was recently honored with two regional Edward R. Murrow Awards for its breaking news and wildfire coverage, the groundbreaking Easy Money documentary, the gubernatorial recall debate and digital election section and a new Spanish section of the app and website.⁵

Of course, it is broadcasters' unique community connection and role as a lifeline during times of emergency that truly sets us apart from other mediums. Because of the resiliency of the broadcast infrastructure and the power of the airwaves, local broadcast stations are often the only available communications medium during disasters, especially when the internet and cellular wireless networks fail.⁶

³ See <https://knightfoundation.org/articles/local-news-most-trusted-in-keeping-americans-informed-about-their-communities/>; [https://www.pewresearch.org/journalism/2019/03/26/nearly-as-many-americans-prefer-to-get-their-local-news-online-as-prefer-the-tv-set/#:~:text=The%20results%20show%20that%20local,popular%20providers%20of%20local%20news](https://www.pewresearch.org/journalism/2019/03/26/nearly-as-many-americans-prefer-to-get-their-local-news-online-as-prefer-the-tv-set/#:~:text=The%20results%20show%20that%20local,popular%20providers%20of%20local%20news;); NAB and Morning Consult quarterly surveys, 2017-2018.

⁴ <https://www.wtol.com/article/news/special-reports/11-investigates-cedar-point/wtol-11-dark-side-cedar-point-national-murrow-award/512-21cfa4f2-a8cc-4fa7-b30e-2d9b4934af71>.

⁵ <https://www.kcra.com/amp/article/kcra-3-wins-two-regional-murrow-awards-for-overall-excellence-and-best-newscast/40030214>.

⁶ AM radio stations in particular play a crucial role in the nation's emergency alert system (EAS), the national public warning system commonly used by state and local

For example, history-making tornados hammered Ohio this summer – with multiple hitting on the same night – and broadcasters were on the scene with wall-to-wall reporting both during and after the storm to keep residents safe and aid the recovery.⁷ Similarly in the Sacramento area last winter, broadcasters delivered emergency alerts and in-depth coverage of the “bomb cyclone” that ravaged the area and claimed multiple lives.⁸

Consider also the wildfires that recently ravaged the island of Maui, destroying homes, lives and businesses and forcing thousands of people to evacuate. For days there was no power, no water and no Internet service. Fiber lines and cell phone towers burned to the ground. Broadcast radio and television remained some of the few dependable sources of communication, and local broadcasters stepped up to deliver a lifeline, providing round-the-clock updates on the fires to keep people safe, as well as information about emergency supplies and shelter.⁹

Beyond our role as media outlets and telecommunications lifelines in Maui, multiple broadcasters created relief fundraisers to aid survivors and rebuild the

authorities to deliver important emergency information over television and radio. More than 60 of the 77 radio stations serving as Primary Entry Points (PEPs) to the EAS across the country are AM stations. These designated stations deliver emergency alerts to other AM, FM and local television stations to ensure the public is informed in times of danger. <https://www.fema.gov/emergency-managers/practitioners/integrated-public-alert-warning-system/broadcasters-wireless>

⁷ <https://www.wtol.com/article/weather/severe-weather/multiple-tornadoes-confirmed-in-ohio-michigan-thursday-night/512-f2705c90-c806-4ea0-957d-10567c70f07f>; <https://www.nbc4i.com/weather/stormy-august-brings-record-number-of-tornadoes-in-ohio/>.

⁸ <https://www.abc10.com/article/weather/bomb-cyclone-northern-california-atmospheric-river/103-53fdf2c8-d79d-4beb-825d-c58240ed88d9>; <https://fox40.com/news/california-connection/the-victims-of-northern-californias-devastating-storms/>.

⁹ https://wearebroadcasters.com/americasStories/2023_Maui-Wildfires.asp.

community.¹⁰ This commitment to community service that extends beyond our airwaves is the hallmark of local broadcasting. The attached Exhibit A includes some other recent examples of local broadcast philanthropy in communities represented on this subcommittee. These are not isolated incidents; rather, these are only a handful of examples of what broadcast stations do across the country every day.

Finally, broadcasters make all these services freely available over-the-air to our viewers and listeners in every community in America. No subscription or data plan is required to access our unique service.

III. In the Era of Big Tech, Broadcasters Are Not Competing for Audience and Advertising Dollars on a Level Playing Field

Broadcasters' investment in must-watch local and national entertainment, sports, news and emergency services does not exist in a vacuum. We compete in a media landscape that has been dramatically reshaped by changes in technology and an avalanche of content options. Broadcasters' competition is local and national, pay-TV, over-the-top, satellite, podcasting, digital and beyond. Yet we operate under a set of outdated rules and restrictions premised on the idea that we compete only with one another for audience and advertising dollars, while other media and big tech platforms operate without restraint.

In fact, today's media marketplace is virtually unrecognizable compared to even a few years ago. Streaming usage has sky-rocketed 25.3% in the past year alone,¹¹ with streaming services like YouTube and Netflix accounting for 38.7% of total U.S. TV

¹⁰ *Id.*

¹¹ Nielsen's July 2023 report.

usage — a new record high for the category.¹² By contrast, in a first for linear TV viewing, cable and broadcast usage recently fell below 50% in terms of total share among U.S. viewers.¹³ AM/FM radio, while still representing a more than 70% share of advertising-supported listening, faces increased competition not only from streaming giants, but audio options such as podcasts where listening has quadrupled over the last four years.¹⁴ As our viewers and listeners change their media consumption habits, broadcasters are investing in apps, digital and new distribution platforms to fit the needs of our audience, but the competition is fierce.

These challenges are exacerbated by Big Tech's market power and largely unregulated practices in both the marketplace for digital advertising and as gatekeepers to digital content, including the local broadcast news that is accessed online (or in the automobile). These collective pressures divert local advertising revenue away from broadcasters, making our uniquely free and local service that much more difficult to support. It also devalues our product when it is accessed online.

Many of these same Big Tech companies are also aggressively acquiring content rights across all platforms, often to prop up streaming services that attract subscribers yet act as loss-leaders in their overall business portfolio. For example, although broadcast networks continue to secure the rights to the marquee sporting event – the Superbowl – national sports rights continue to be gobbled up by the likes of Google's YouTube TV, Apple and Amazon. So not only are streaming services driving up the

¹² *Id.*

¹³ *Id.*

¹⁴ <https://www.westwoodone.com/blog/2023/07/17/edisons-share-of-ear-q1-2023-streaming-is-now-20-of-am-fm-radio-listening-podcasts-have-surged-am-fm-radio-dominates-ad-supported-time-spent-and-voters-spend-their-ad-su/>.

price – and in many instances putting out of reach – compelling content, their siphoning of audiences to their own platforms reduces the economic support for traditional pay-TV distribution models; revenue which is not being replaced by either over-the-top linear distributors like YouTube TV or by the digital platforms.

Broadcasters are also competing at the local level and reversing a decades' long trend and securing local rights to pro sports teams. Because local broadcasters remain free over-the-air, they can offer broader audience reach to these partners who seek to reach and grow audiences of all demographics and income levels, but these same barriers exist.¹⁵

Meanwhile, local news production continues to be costly. From 2013 to 2018, TV stations spent nearly a quarter of their budgets on news costs, averaging over \$3 million per year.¹⁶ The all-news radio station WTOP-FM here in Washington, D.C. spends more than \$12 million a year to run its newsrooms, with more than a third of that expense going to running its digital operation.¹⁷ And yet, TV and radio stations are producing a record-high amount of local news. A recent survey of newsrooms found weekday local news increased 18 minutes on local TV stations and 21 more minutes on radio compared to last year.¹⁸ This increase is driven by broadcast groups that have been able to leverage large economies of scale to invest in more local news and launch free hyperlocal streaming channels. Broadcasters are also maintaining high-quality

¹⁵ See <https://www.spglobal.com/marketintelligence/en/news-insights/research/utah-jazz-heads-to-local-broadcast-station-kjzz>.

¹⁶ See NAB Television Financial Reports 2004 to 2019.

¹⁷ See <https://www.judiciary.senate.gov/imo/media/doc/Oxley%20Testimony.pdf>.

¹⁸ <https://www.rtdna.org/news/rtdna-syracuse-survey-local-news-minutes-increase-across-the-board>.

journalism. For example, here in Washington, D.C., television station WUSA 9 is helping viewers determine the accuracy of third-party information as part of TEGNA's fact-checking vertical VERIFY, a team of journalists dedicated to fighting the spread of misinformation across platforms through fact checks, research and expert interviews.¹⁹

This is especially important as local newspapers have been shutting down at an average of two every week.²⁰ Fighting against news deserts, broadcasters are investing time and resources into investigative news – a public service that online sources cannot replicate. In 2019, the broadcasting industry accounted for nearly a third of all newsroom employees, nearly the same amount as the newspaper industry.²¹

The advancement of generative artificial intelligence (AI) presents potential additional disruptions to local journalism. Beyond the increased costs for vetting stories and footage, as well as the need to protect the image and likeness of our trusted media personalities, the use of broadcasters' news content in generative AI models without authorization or compensation risks further diminishing reinvestment in local news. In addition, our vetted journalism could be mixed with unverified and inaccurate third-party content and used to spread misinformation. Even as some broadcasters have responsibly embraced this emerging technology for its efficiencies in helping to serve local communities, the level of cost and vigilance to maintain our trusted status continues to rise, while the pressure on revenues has never been greater.

¹⁹ <https://www.wusa9.com/verify>. VERIFY reporting is produced in all 48 of TEGNA's local newsrooms.

²⁰ <https://localnewsinitiative.northwestern.edu/research/state-of-local-news/report/>.

²¹ <https://www.pewresearch.org/fact-tank/2020/04/20/u-s-newsroom-employment-has-dropped-by-a-quarter-since-2008/>.

IV. Congress Must Act to Enable Broadcasters to Fairly Compete and Further Viewer and Listener Access to Our Stations

For broadcasters to continue our unique service to your constituents, television and radio stations must remain economically viable in a highly competitive marketplace. As Congress has reaffirmed time and time again, there are significant public policy benefits to ensuring consumer access to our sought-after entertainment, sports programming, news and locally-focused lifeline information.²²

Amidst fierce competition, there are several actions this Committee can take to ensure continued listener and viewer access to our essential service and allow broadcasters to fairly compete and reinvest in our high-quality trusted content:

- **Pass the AM Radio For Every Vehicle Act (H.R. 3414).** With 82 million monthly listeners nationwide,²³ AM radio is an extremely popular way for Americans to stay connected to news, sports and entertainment, and it serves as the backbone in our nation's emergency infrastructure. AM radio is incredibly important to agricultural communities and serves a number of diverse ethnic audiences, providing a unique and vital service to non-English speakers who may be underserved by general market media. Despite this, certain automakers have removed AM radio as a feature on electric vehicles and signaled that they may remove AM radio from new models of internal combustion engine vehicles in the future. This legislation would preserve AM radio's accessibility in all newly manufactured automobiles by requiring the Secretary of Transportation to issue a rule under which motor vehicles made or imported into the U.S. would be required to include an installed device, as standard equipment, which can receive AM radio, including analog signals, and play AM radio content.
- **Pass legislation to reinstate the Diversity Tax Certificate program.** Broadcasters are committed to improving diversity in the industry and creating new opportunities for women, people of color and other underrepresented communities. Recent data shows only single-digit broadcast station ownership by women and people of color, with access to capital continuing to be a barrier for many. Unfortunately, the most impactful program to expand diversity in broadcast

²² In major legislation including the Cable Television Consumer Protection and Competition Act of 1992 (Cable Act) and the Telecommunications Act of 1996 (1996 Act), Congress acted to protect and promote the competitiveness of broadcast stations and the economic viability of over-the-air local broadcasting.

²³ Nielsen.

ownership – the Diversity Tax Certificate Program – was eliminated by Congress in 1995. Broadcasters support legislation to reinstate this program and provide a tax incentive to those who sell their majority interest in a broadcast station to women and minorities.

- **Encourage the FCC to make several reforms that will enable broadcasters to compete on a level playing field:**
 - **Modernize its local and national broadcast ownership rules to account for the rise, and increasing dominance, of digital media.** Modernizing these decades-old rules would allow broadcasters to continue to serve local viewers in a way no other platform can. It would allow broadcasters to compete for audiences, advertising and investment against digital platforms operated by tech giants with market caps in the hundreds of billions of dollars. Such reform would safeguard the viability of local broadcast journalism, as broadcasters could leverage local economies of scale and spread the significant cost of news production across more outlets. A recent survey confirms that larger market broadcast stations, and those stations with the resources to hire more staff, produce more hours of local news than small market stations and those with smaller news staffs.²⁴ Modernizing ownership regulations also makes broadcasting more desirable for potential investors and new entrants, ensuring continued investment and encouraging greater diversity in local broadcasting and content.
 - **Create a more transparent, fair and predictable process for broadcaster transactions.** Mergers and acquisitions enable stations to achieve the economies of scale and scope that are necessary for broadcasters to thrive and serve their local audiences. If the FCC’s procedure governing transactions is fair and provides more business certainty, companies may be encouraged to pursue mergers that could help them better compete and invest in the critical local journalism they provide. A more transparent, just and predictable process allows broadcasters a legitimate chance to compete in the marketplace and continue serving the public.
 - **Refresh the record in its vMVPD proceeding.** In 2014, the FCC initiated a proceeding to consider modernizing the definition of multichannel video programming distributors (MVPDs) to include virtual streaming services that offer linear programming. Nearly a decade later, the media landscape has completely transformed, yet the FCC’s languishing record does not reflect that drastic change and its impact on consumer access to local broadcast stations. There is simply no reason the FCC should not at least

²⁴ B. Papper, *Another Record Amount of Local TV News*, 2021 RTDNA/Newhouse School at Syracuse University Newsroom Survey (May 12, 2021).

refresh its record in this proceeding to better reflect current marketplace realities.

- **Continue to support the rollout of NEXTGEN TV.** Television broadcasters are transitioning our over-the-air broadcasts to a Next Generation Television standard, also known as ATSC 3.0. NEXTGEN TV will enable local television broadcast stations to deliver a higher quality picture, immersive audio, more diverse programming, interactive content, and advanced emergency services. We appreciate the Commission's support of the Future of Television Initiative, a partnership helping to bring the reality of NEXTGEN TV to viewers across the country and unlock cutting-edge services that benefit public safety, close the digital divide and revolutionize broadcast TV. Ongoing oversight is critical to ensure a successful nationwide rollout.

V. Conclusion

America's broadcasters are extremely proud of the role we play in serving your constituents. We applaud this subcommittee's attention to the changes in the media marketplace and the vital role of broadcasting in improving the lives of hundreds of millions of Americans.

Thank you again for inviting me to testify today. I look forward to answering your questions.

Appendix A

- Cleveland's WDOK (102.1 FM), known as "Star 102," raised more than \$200,000 in 2020 during the 18th annual "2020 Rainbow Radiothon" to benefit University Hospitals Rainbow Babies and Children's Hospital.²⁵
- Since 1987, Sacramento's KCRA-TV / NBC 3 Kids Can! Food Drive has been helping to feed hungry families in the community and in 2022, collected more than 187,000 pounds of food.²⁶
- KHQ-TV / NBC 6 and local coffee shop Cravens Coffee in Spokane, WA bring free deliveries and a public spotlight to recognize local organizations doing good work in the community through the Coffee's On Us program.²⁷
- In New Jersey, WKMK and WTHJ (106.3 and 106.5 FM), known as "Thunder 106," recently raised almost \$200,000 as part of the annual "Country Cares for St. Jude Kids Radiothon," pushing the total 11-year contribution to nearly \$1,400,000.²⁸
- NBCUniversal Telemundo launched a multi-city national campaign, "El Campeón En Ti" (The Champion In You), to build on its longstanding commitment to inspire Hispanic youth to discover the champions within themselves. The campaign underscores the need to expand access to safe recreational facilities and level an unequal playing field for Hispanic youth.²⁹
- Each year for the last twelve years, KABC-TV / NBC 7 in Los Angeles has provided more than 400,000 meals to food-insecure families.³⁰
- The Coats for the Cold drive has been a Knoxville tradition for 37 years, started by local radio station WIVK-FM, known as "107.7 WIVK," after the exposure death of an area homeless man.³¹

²⁵ <https://www.allaccess.com/net-news/archive/story/202707/wdok-cleveland-raises-over-200-000-during-2020-rai>.

²⁶ <https://www.kcra.com/article/kids-can-food-drive-2023-northern-california/44966766>.

²⁷ https://www.khq.com/coffees_on_us/.

²⁸ <https://wbnj.org/press-broadcasting-raises-1-4-million-for-st-judes-hospital/>.

²⁹ <https://corporate.comcast.com/press/releases/telemundo-national-soccer-campaign-el-campen-en-ti-2022-hispanic-youth#:~:text=The%20campaign%20underscores%20the%20need,societal%20adversities%20and%20life%20challenges>.

³⁰ <https://abc7.com/abc7-feed-social-friday-feeding-the-homeless-los-angeles/11920051/>.

³¹ <https://karm.org/coats-for-the-cold/#:~:text=Coats%20for%20the%20Cold%20has,Knoxville%20one%20cold%20winter%20night>.

- A KCAL-TV / CBS2 investigation captured video of Los Angeles Homeless Services employees throwing food meant for the homeless straight into the dumpster, prompting local leaders to take action.³²
- KILT-FM (100.3 FM), known as “The Bull 100.3” in Houston, Texas, collected 32,793 thank-you cards as part of their “10K for the Troops” campaign.³³
- In an effort to help fight misinformation within the Hispanic community, Univision News launched its fact-checking platform, “eIDetector”, on WhatsApp to help connect users with verified, trustworthy information.³⁴
- Fox Corporation recently committed more than \$300,000 in conjunction with its ongoing FOX Forward and FOX Sports Supports corporate social responsibility initiatives, including a commitment to the Pat Tillman Veterans Center to provide scholarship funding and resources for student veterans, the Boys & Girls Clubs of the Valley to enhance their career development and training programs, and Purple Heart Homes through FOX Sports’ Gamechanger Fund.³⁵
- iHeartMedia adult contemporary WLTW (106.7 FM) in New York, known as “106.7 Lite FM,” raised more than \$1.6 million during its fifth annual “Hope for the Holidays” radiothon benefiting Hassenfeld Children’s Hospital at NYU Langone.³⁶
- KXAN-TV / NBC 36 in Austin, TX collected 740 fans and more than \$230,000 during a summer drive for Family Eldercare.³⁷
- The Walt Disney Company, ABC Owned Television Stations, FX and Hulu recently donated approximately 450,000 meals to Feeding America and its network of food banks in New York, Los Angeles and Chicago to provide kids with access to nutritious food over the summer.³⁸

³² <https://www.cbsnews.com/losangeles/news/goldstein-investigates-leaders-demand-answers-after-employees-caught-trashing-food-meant-for-homeless/>.

³³ <https://www.wearebroadcasters.com/publicService/storiesByKeyword.asp?id=1013#:~:text=%E2%80%9CThe%20Morning%20Bullpen%E2%80%9D%20from%20Audacy,card%20for%20active%2Dduty%20soldiers>.

³⁴ <https://corporate.televisaunivision.com/press/televisa-content/2022/03/29/univision-news-launches-fact-checking-services-on-whatsapp/>.

³⁵ <https://www.foxsports.com/supports/fox-corporation-and-fox-sports-announce-super-bowl-lvii-community-initiatives/>.

³⁶ https://www.insideradio.com/free/lite-fm-new-yorks-annual-radiothon-raises-1-6-million-for-childrens-hospital/article_6fdc36be-7d4d-11ed-8f8a-d3a8a437c26d.html.

³⁷ <https://www.kxan.com/news/simplehealth/live-blog-how-you-can-help-keep-neighbors-cool-with-family-eldercare-summer-fan-drive/>.

³⁸ <https://abc7ny.com/the-bear-disney-feeding-america-food-bank-for-new-york-city/13469917/>.

- In 2022, the Bed and Bread Club Radiothon aired on WJR 760 AM in Detroit, raising more than \$1.7 million for the Salvation Army.³⁹
- Cumulus Media's KSCS-FM (New Country 96.3) and KPLX-FM (99.5 The Wolf) in Dallas, TX raised more than \$200,000 for a local children's hospital in this year's second annual Texas Independence Jam concert.⁴⁰
- TelevisaUnivision matched donations made through the Univision Foundation website to benefit the TeletonUSA Foundation, which offers rehabilitation services for children with neurological, muscular and skeletal disabilities, thereby tripling contributions to a sum of \$45,000 to the overall funds raised.⁴¹
- Salt Lake City's KUTV / CBS2 responded to rising inflation with the Eyes on Your Money food drive to help struggling families.⁴²
- As part of a day of service, employees at Harrisburg's WHP-TV / CBS 21 packed food boxes at the Central Pennsylvania Food Bank.⁴³
- For eight years, Tampa's WTSP-TV / CBS 10 has teamed up with local food bank Feeding Tampa Bay to collect food for hungry children.⁴⁴

³⁹ <https://centralusa.salvationarmy.org/greatlakes/news/the-salvation-armys-35th-annual-bed--bread-club-radiothon-raises-more-than-174-million/>.

⁴⁰ [https://news.radio-online.com/articles/n43330/Texas-Duo-Raise-More-Than-\\$200000-for-Cook-Childrens](https://news.radio-online.com/articles/n43330/Texas-Duo-Raise-More-Than-$200000-for-Cook-Childrens).

⁴¹ <https://corporate.televisaunivision.com/press/2022/12/19/more-than-6-million-raised-during-star-studded-2022-teletonusa-event-surpassing-fundraising-goal>.

⁴² <https://kutv.com/news/eye-on-your-money/help-struggling-utah-families-with-the-kutv-eye-on-your-money-holiday-food-drive>.

⁴³ <https://local21news.com/news/local/cbs-21-volunteers-at-central-pennsylvania-food-bank-for-sinclairs-day-of-service>.

⁴⁴ <https://www.wtsp.com/article/life/cereal-for-summer-2023/67-cc799746-db96-4a8d-893b-6bd410c4d71b>.