

Narrow Satellite Legislation Should Expire as Congress Intended

ISSUE SUMMARY

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 due to dramatic changes in the media marketplace, but its reauthorization will harm some viewers who are being denied access to their local television stations. Broadcasters oppose STELAR reauthorization.

Here's why:

Thirty years ago, nascent satellite television companies were temporarily given a significantly discounted copyright license that allowed them to better compete with big cable monopolies at a time when there were millions of Americans who could not receive their local broadcast stations over the air, from cable or from satellite. On a temporary basis, Congress allowed the satellite companies to serve those households with a broadcast station operating outside of the local community, typically from a major city, so viewers could receive their favorite network programming.

But the market and media landscape have fundamentally changed over the past three decades. Those nascent satellite companies are now media behemoths: AT&T-DIRECTV is a \$235 billion company, and DISH is a \$17 billion company. Technology has eliminated the need to import out-of-market station signals to consumers, and satellites now deliver local TV stations to all 210 local media markets.

In spite of these developments, this below-market subsidy still incentivizes satellite companies to deny some viewers local news, weather and life-saving emergency information and instead send them an out-of-market signal. Further, there are a dozen markets around the country where one satellite company is choosing to deny local viewers their local programming altogether. Viewers will benefit from eliminating this outdated law, ensuring they receive the local content most relevant to them.

The bottom line:

Congress should allow STELAR to expire, as it originally intended. There is no policy justification or technological reason for this outdated law to be reauthorized. The time has come to stop subsidizing billion-dollar satellite TV companies and to instead provide viewers with the local news, weather and emergency information they want and need.