

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)
)
The State of Competition in the Communications) GN Docket No. 26-78
Marketplace)
)
)



**JOINT REPLY COMMENTS OF THE
FOUR AFFILIATES ASSOCIATIONS**

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TABLE OF CONTENTS

I. Introduction and Summary	1
II. Local Broadcasters Play a Unique and Vital Role in Local Communities.....	6
III. Myriad Competitive Challenges Threaten Local Broadcasters’ Ability to Continue to Serve Their Unique Role in Communities Nationwide.....	9
A. Asymmetric Regulation Remains a Material Barrier to Local Broadcasters’ Competitive Viability.....	10
B. Unprecedented Competition in the Video Marketplace Continues to Put Enormous Pressure on Local Broadcasters’ Primary Revenue Streams.....	13
1. Distribution Revenues.....	14
2. Advertising Revenues.....	16
C. Local Broadcast Stations Face Increasing Competitive Pressure from Their Own Network Partners and Network-Owned Direct-to-Consumer Streaming Platforms.....	17
1. Network Affiliation Fees Have Escalated to Unsustainable Levels; Affiliates Bear All Downside Risk of Declining Distribution Revenues.....	19
2. Program Exclusivity Is Gone; Affiliates Pay More for Less.....	20
3. Networks Control Negotiations with Virtual MVPDs.....	21
D. Local Broadcast Stations Face Escalating Challenges in the Competitive Marketplace for Sports Programming Rights.....	24
IV. Conclusion.....	26

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I. INTRODUCTION AND SUMMARY

The ABC Television Affiliates Association, CBS Television Network Affiliates Association, FBC Television Affiliates Association, and NBC Television Affiliates (collectively, the “Affiliates Associations”)¹ submit these joint reply comments in response to the Commission’s request for information about the current state of competition in the communications marketplace.²

Local broadcast stations today operate in a competitive landscape that is starkly different from the marketplace that existed when the Commission’s initial regulatory framework was

¹ Each of the ABC Television Affiliates Association, CBS Television Network Affiliates Association, FBC Television Affiliates Association, and NBC Television Affiliates is a non-profit trade association whose members consist of local television broadcast stations throughout the country that are each affiliated with its respective broadcast television network. Collectively, the Affiliates Associations represent more than 700 local television stations affiliated with the four major broadcast Networks. The Affiliates Associations’ member stations provide local news, life-saving weather and emergency information, sports, entertainment, and other valuable, highly desired video content to virtually every community in the country, whether large or small, urban or rural.

² *Office of Economics and Analytics Seeks Comment on the State of Competition in the Communications Marketplace*, Public Notice, GN Docket No. 26-78, DA 26-333 (Apr. 6, 2026) (“Notice”).

created. Local broadcasters face intense and multifaceted competition for viewers, advertising and distribution revenue, and programming—most notably, marquee live sports programming—from global technology behemoths, streaming services, digital advertisers, and the media conglomerates that own the Big Four Networks, all of which operate free from the public interest obligations and ex ante structural rules to which broadcasters are subject, which rules limit broadcasters’ scale, scope, and reach.

To its credit, the Commission already recognizes as much. The Order approving the Nexstar-TEGNA transaction a few months ago accurately captured the current competitive landscape confronting local stations:

[T]oday, broadcasters are competing in a much larger, broader, and competitive environment. They are competing against digital advertisers and they are competing for viewers and listeners against various technology platforms—from streamers to podcasts. Broadcasters are no longer competing against other broadcasters, but against competitors that deliver their offerings over the Internet, from satellites in orbit, over 5G networks, over fiber, and over cable plus other technologies or modes of distribution.³

This is precisely the environment that the Commission should describe to Congress in its 2026 Communications Marketplace Report (the “2026 Report”).⁴

The 2026 Report likewise must recognize that as a result of that crowded, technologically dynamic, constantly evolving marketplace,

[t]he competitive viability of many local broadcast stations is now in peril, as broadcasters burdened by highly asymmetric regulations – and facing unprecedented competition for audiences and advertising revenues from much larger competitors – struggle to provide valued programming services, including

³ See *Applications for Consent to the Transfer of Control of TEGNA Inc. to Nexstar Media Inc.*, Memorandum Opinion and Order, MB Docket No. 25-331, DA 26-267 (Mar. 19, 2026), at ¶ 76 (“Nexstar-TEGNA Order”).

⁴ Comments of the National Association of Broadcasters, GN Docket No. 26-78 (May 21, 2026), at 3 (“NAB Comments”).

news, increasingly expensive sports programming, weather, and emergency information, free to the public in local communities across the nation.⁵

Competition facing local broadcasters is indeed “fierce and formidable,” and “the challenges facing broadcasters continue to rise, with local stations experiencing ever-greater competition for audiences and advertising from myriad lesser- (or un-) regulated content providers and digital advertising platforms.”⁶

Even in this blurred, converged marketplace, though, broadcast television remains unique. Local stations play a singularly important role in each and every community across the country and continue to serve as one of the last bastions (and in some cases the only source) of accurate, trusted local news, weather, traffic, public affairs, and emergency video programming. Local stations do this work because it is at the core of their mission; serving local communities is in local broadcasters’ DNA. Operating in the public interest is more than a regulatory obligation; it is an expectation that local broadcasters understand and a badge of honor that they wear with pride. In this respect, too, the Commission in recent months has shown it recognizes as much.⁷

⁵ NAB Comments at 1.

⁶ NAB Comments at 2, 4; *see also* Comments of International Center for Law & Economics, GN Docket No. 26-78 (May 21, 2026), at 2 (“ICLE Comments”) (arguing that “[c]ompetition in communications markets has never been more dynamic. The traditional service categories reflected in the Communications Act no longer map neatly onto distinct technologies or consumer use cases. As the boundaries among fixed broadband, mobile broadband, satellite, and video services continue to erode, consumers have more options than ever.”).

⁷ *See Empowering Local Broadcast TV Stations to Meet Their Public Interest Obligations: Exploring Market Dynamics Between National Programmers and Their Affiliates*, Public Notice, MB 25-322 (Nov. 19, 2025), at 1 (“[T]elevision broadcasters are required by both the Communications Act and the terms of their FCC-issued licenses to operate in the public interest.”) (“Network-Affiliate Public Notice”). With respect to regulatory obligations and legal standards, the spectrum scarcity rationale has long been cited to support particular First Amendment limitations on broadcasters. *See Red Lion Broadcasting Co. v. FCC*, 395 U.S. 367, 390, 394 (1969). Whether that increasingly dubious rationale remains viable and consistent with the First Amendment, particularly in the competitive landscape described herein, is a timely inquiry, but

Public interest obligations distinguish local broadcasters. The unique panoply of competitive pressures confronting local broadcasters likewise distinguishes them from every other participant in the video marketplace. The Commission has a head start on its 2026 Report because it has been focused in the past year on gathering information specific to the challenges facing local broadcasters. While Congress requires the Commission to undertake the biennial Communications Marketplace Report exercise, the Affiliates Associations commend the Commission for its continuing commitment to “empower local broadcasters”⁸ and initiating, on its own and without legislative directive, proceedings examining the National Television Ownership Cap⁹ (and the quadrennially mandated review of the Local Television Ownership Rule)¹⁰ (i.e., the asymmetric regulation of broadcasters), the Network-Affiliate relationship,¹¹ and the state of the sports media rights landscape,¹² each of which bears on pressing competitive issues facing local broadcasters. Those proceedings undoubtedly have helped the Commission better understand the multitude of marketplace challenges broadcasters alone must overcome.¹³

this is not the appropriate setting to argue the merits of that legal principle, nor is it necessary to the Commission’s analysis of the competitive landscape in this proceeding.

⁸ Network-Affiliate Public Notice at 1.

⁹ See *Media Bureau Seeks to Refresh the Record in the National Television Multiple Ownership Rule Proceeding, Amendment of Section 73.3555(e) of the Commission’s Rules, National Television Multiple Ownership Rule*, Public Notice, MB Docket No. 17-318, DA 25-530 (June 18, 2025).

¹⁰ See *In the Matter of 2022 Quadrennial Regulatory Review – Review of the Commissions’ Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996*, Notice of Proposed Rulemaking, MB Docket No. 22-459, FCC 25-64 (Sept. 30, 2025).

¹¹ See generally Network-Affiliate Public Notice.

¹² *FCCs’ Media Bureau Seeks Comment on Sports Broadcasting Practices and Marketplace Developments*, Public Notice, MB Docket No. 26-45, DA 26-188 (Feb. 25, 2026) (“Sports Rights Public Notice”).

¹³ The Four Affiliates Associations have participated in each of those proceedings. See Joint Comments of the Four Affiliates Associations, MB Docket No. 17-318 (Aug. 4, 2025)

As the Commission drafts its 2026 Report, the Affiliates Associations submit these Reply Comments to emphasize the unique and abiding role that local broadcasters continue to play in every community across the country; decry the asymmetrical regulatory regime that forces them to compete on an unlevel playing field and leads to concrete harms to the American public; expose the deterioration of the two primary revenue streams on which broadcasters rely to fund and sustain the work they do to serve their local communities; explain the current competitive state of the Network-Affiliate dynamic and how that once mutually beneficial relationship grows further imbalanced with each passing day; and discuss the importance of sports programming rights. The upshot is this: A realistic assessment of competition must not treat broadcast television as merely one legacy “silo,” but rather as a vital component of a converged marketplace, whose continued viability depends on regulatory parity and a level playing field. The Commission’s 2026 Report should reflect as much.

(“Affiliates Associations 2025 National Cap Comments”); Reply Comments of the Joint Broadcasters, MB Docket No. 17-318 (Aug. 22, 2025) (“Joint Broadcasters 2025 National Cap Reply Comments”); Joint Comments of the Four Affiliates Associations, MB Docket No. 25-322 (Dec. 10, 2025) (“Affiliates Associations Network-Affiliate Comments”); Reply Comments of the Four Affiliates Associations, MB Docket No. 25-322 (Dec. 24, 2025) (“Affiliates Associations Network-Affiliate Reply Comments”); Joint Comments of the ABC Television Affiliates Association, CBS Television Network Affiliates Association, FBC Television Affiliates Association, and NBC Television Affiliates, MB Docket No. 22-459 (Dec. 17, 2025) (“Affiliates Associations 2022 Quadrennial Review Comments”); Reply Comments of the ABC Television Affiliates Association, CBS Television Network Affiliates Association, FBC Television Affiliates Association, and NBC Television Affiliates, MB Docket No. 22-459 (Jan. 16, 2026) (“Affiliates Associations 2022 Quadrennial Review Reply Comments”); Reply Comments of the ABC Television Affiliates Association, CBS Television Network Affiliates Association, FBC Television Affiliates Association, and NBC Television Affiliates, MB Docket No. 26-45 (Apr. 13, 2026) (“Affiliates Associations Sports Public Notice Reply Comments”).

II. LOCAL BROADCASTERS PLAY A UNIQUE AND VITAL ROLE IN LOCAL COMMUNITIES.

The Commission’s mandate to draft the 2026 Report reoccurs at a critical moment for the present and future viability of local television broadcasting. Across the United States, local television stations serve as indispensable pillars of civic life, providing local communities with free, accurate, trusted, timely, and locally relevant journalism. That locally oriented programming yields significant public benefits that extends well beyond commercial value: Viewers rely on broadcast television stations for accurate, timely, and often life-saving information about local news, weather emergencies, public safety, transportation, elections, sports, community affairs, and more.

In many markets, local television stations are not merely one source of local news among many; they are increasingly the primary, and sometimes the only, comprehensive source of professionally produced local reporting available to the public.¹⁴ Newspapers have declined nationwide. In the growing number of communities that have experienced the demise of their local newspapers, television broadcasters have assumed responsibility for informing residents about the issues that affect their daily lives. Local television often represents the last remaining institution capable of providing broad, consistent coverage of local news and matters of public interest and importance. There is no one else left willing to play the crucial role television stations now occupy in local news ecosystems.

¹⁴ See Affiliates Associations 2025 National Cap Comments at 5 (noting that broadcasters “remain a uniquely important part of [the video] marketplace, serving as the first, and in many instances the only, source of free, factual, relevant, timely, and trusted local news, weather, traffic, public affairs, and emergency video programming directed to the local communities they are licensed to serve”).

Unlike digital platforms and national media services, local stations are required to provide their programming directly to the public, free of charge, through over-the-air broadcasting. Local broadcasting's universal availability ensures that critical news and emergency information remains accessible to all members of the community, regardless of income, subscription status, or access to internet connectivity. No other segment of the media industry combines this level of service, reliability, and accessibility with a mandate to serve specific local communities. Beyond journalism itself, local television broadcasters contribute to their communities by creating jobs, partnering with local organizations, and leading charitable and civic initiatives that strengthen community ties.

Lawmakers and regulators understand this.¹⁵ So, too, do the American people. Surveys and studies demonstrate that Americans place greater trust in local news than in national media,

¹⁵ See, e.g., George Winslow, *Carr: FCC Looking for Ways to "Empower" Local Broadcasters*, tvtechnology.com (Jan. 8, 2026), <https://www.tvtechnology.com/regulatory-legal/carr-fcc-looking-for-ways-to-empower-local-broadcasters> (quoting FCC Chairman Brendan Carr: "If you care about local news and local reporting in this country, if you think that's valuable as a public interest, as a national interest, right now, local broadcast television stations are the ones that are almost exclusively, in many cases, doing it. . . . Look at newspapers. They [have been closing]...by the dozens all across the country. Your local 5 o'clock, 6 o'clock TV news are sort of the last of the real local gumshoes[.]"); Letter from Representative Richard Hudson, et al., to FCC Chairman Brendan Carr (Mar. 28, 2025), https://nab.org/documents/newsRoom/pdfs/032825_Media_Ownership_Letter.pdf ("Across the political spectrum, Americans trust their local news more than any other source. Broadcasters play an indispensable role in holding government accountable, fostering civic engagement, and ensuring public safety awareness – often early on the scene in a crisis and last to leave. They do all this while restrictive ownership rules continue to deny them the ability to obtain the vital investment necessary to sustain and expand local coverage. At a time when newspapers are battling to survive, broadcasters' local engagement is more important than ever. When broadcasters cannot combine or expand operations, they struggle to maintain sufficient newsroom staff and invest in journalism. This increasing lack of access to local information leaves communities vulnerable to misinformation from unverified sources on social media."); Anna M. Gomez, *Remarks of FCC Commissioner Anna M. Gomez, 2025 Media Institute Communications Forum*, mediainstitute.org (May 15, 2026), <https://www.mediainstitute.org/wp-content/uploads/2025/09/Comm-Forum-Gomez-Speech-5-15-25-v2.pdf> ("I've visited local TV and radio stations across the country and in a variety of communities. Local news provides

particularly when it comes to information that directly affects their communities.¹⁶ Viewers believe that local news organizations are more attentive to the consequences of their reporting and more responsive to local needs. This trust becomes especially pronounced during periods of crisis, such as severe weather events or public health emergencies, when audiences turn to local stations for reliable, real-time information.¹⁷

While the modern media marketplace is defined by an overwhelming array of content sources, platforms, and viewing options, the proliferation of new video programming services has not produced meaningful new entrants in the local news space, nor has it led to an increase in trust in local news services. Quite the opposite. Streaming services, social media networks, the Big Four Networks' direct-to-consumer ("DTC") platforms, and technology giants offer unlimited video content and information, but they do not even try to replicate the function of quality local journalism. When communities need live coverage of a tornado, timely updates on school

lifesaving information during storms, wildfires, and other emergencies. It serves veterans, seniors, and rural communities.").

¹⁶ See, e.g., Kirsten Eddy & Elisa Shearer, *How Americans' Trust in Information from News Organizations and Social Media Sites Has Changed Over Time*, pewresearch.org (Oct. 29, 2025), <https://www.pewresearch.org/short-reads/2025/10/29/how-americans-trust-in-information-from-news-organizations-and-social-media-sites-has-changed-over-time/> ("Trust in local news organizations remains higher than trust in national news organizations among Americans of all ages."). According to the Pew Research Center, 70% of American adults have at least some trust in information from local news organizations, as compared to 56% of American adults who say they have a lot of or some trust in national news organizations. *Id.* By contrast, only 37% of American adults say they have at least some trust in social media sites. *Id.*

¹⁷ See, e.g., Nielsen & Climate Central, *Connecting the Dots: Local U.S. Television Coverage of Extreme Weather and Climate Change* (rel. Mar. 13, 2024), <https://assets.ctfassets.net/cxgxcgtp8r5d/46cnfTnfpdt1hSOthASKWO/1524be072be2b3248a82dc8267eba9b3/Climate-Central-report-v1-d06-FINAL.pdf> (citing research showing that "[a]udiences surged during extreme weather events. Local television news audiences grew dramatically in the most directly impacted media markets as extreme events unfolded, likely due to the breaking news nature of these events and the immediate threats they posed to public safety. . . . As extreme events occur, the public turns to local television broadcasts to stay prepared and informed.").

closures, or in-depth reporting on local elections, they rely on their local television stations. The growth of national and global media and entertainment goliaths has therefore heightened, rather than diminished, the importance of local broadcasters' work. At a time when misinformation and disinformation pose growing challenges, broadcasters' trusted voices are more important than ever.

Providing these services and serving this role in communities nationwide requires substantial, increasing financial commitment. Major Network-affiliated stations invest tens of millions of dollars annually in their local news operations.¹⁸ These investments support not only newsroom staff but also technical production capabilities and distribution systems necessary to reach viewers across diverse geographic areas, as well as capital expenditures in new equipment and technologies.

Despite their continued relevance and the unique public interest role they play, local television broadcasters face intensifying financial strain. Core revenue streams—advertising and retransmission consent fees—are under pressure as advertising dollars migrate to digital platforms and distribution dynamics evolve. These trends are exacerbated by a regulatory and competitive environment that does not reflect the realities of today's marketplace. As long as broadcasters face asymmetric regulation compared to their many competitors, the economic foundation that supports local television stations and their news production capabilities will continue to erode.

III. MYRIAD COMPETITIVE CHALLENGES THREATEN LOCAL BROADCASTERS' ABILITY TO CONTINUE TO SERVE THEIR UNIQUE ROLE IN COMMUNITIES NATIONWIDE.

Local broadcasters play this paramount public service role in the face of massive, existential competitive challenges on all fronts, many of which are interrelated. The costs associated with producing high-quality local news and licensing marquee sports and entertainment

¹⁸ See Affiliates Associations 2025 National Cap Comments at 6 (citations omitted).

content continue to rise, at the same time that existing ownership and structural regulations limit the ability of broadcasters to achieve efficiencies of scale that could help offset these costs. Advertising and distribution revenues are declining, too. The result is a growing mismatch between the importance of the work local broadcasters undertake, the diminishing resources available to fulfill their public interest obligations, and the regulatory framework that governs their operations.

A. Asymmetric Regulation Remains a Material Barrier to Local Broadcasters' Competitive Viability.

Local television broadcasters continue to serve audiences in America's towns, cities, and counties nationwide despite having to compete on an unlevel playing field in which they remain subject to legacy ownership restrictions (and regulatory obligations) that do not apply to the Internet behemoths and media conglomerates that own the Big Four Networks with whom they compete for audiences, advertising dollars, and distribution revenues. As the Affiliates Associations and others have explained repeatedly, these asymmetric rules—specifically, the National Television Ownership Cap and the Local Television Ownership Rule—restrict broadcasters' ability to achieve efficient scale, attract investment, and continue funding local journalism.¹⁹

The decades-old 39% National Television Ownership Cap²⁰ and the Local Television Ownership Rule²¹ are “antiquated, biased, and artificial media ownership constraints”²²—

¹⁹ See, e.g., Affiliates Associations 2022 Quadrennial Review Comments at 5-12; Affiliates Associations 2022 Quadrennial Review Reply Comments at 5-11; Affiliates Associations 2025 National Cap Comments at 13-16.

²⁰ 47 C.F.R. § 73.3555(e).

²¹ 47 C.F.R. § 73.3555(b).

²² Affiliates Associations 2025 National Cap Comments at 2.

structural limits that shackle local broadcast stations at the same time that they are expected, as a matter of federal policy, to “continue serving their local communities in the face of competition from the biggest, wealthiest titans of the tech and media industries[.]”²³ The Affiliates Associations have advocated in the relevant pending Commission dockets for the complete elimination of each of the National Cap²⁴ and the Local Television Ownership Rule,²⁵ arguing, simply, that “local broadcasters must be given the freedom to maximize efficiencies and economies of scale if they are going to have any meaningful chance to compete against their much larger and unregulated rivals[.]”²⁶

Recent merger and acquisition activity within the broadcast industry proves that many local broadcast groups believe that increased scale within local markets and, in some cases, on a national level, will improve their odds of competitive viability in the short and long term. In the wake of

²³ Affiliates Associations 2025 National Cap Comments at 4. Others agree. *See* ICLE Comments at 13 (“The video marketplace that broadcast-ownership rules were designed to govern no longer exists. Local television stations, once presumed dominant within geographically defined markets, now compete against streaming platforms, social media companies, and digital news outlets that face no comparable restrictions on scale or reach. The FCC’s national ownership cap rests on assumptions about spectrum scarcity and broadcaster market power that technological change has largely overtaken.”).

²⁴ *See generally* Affiliates Associations 2025 National Cap Comments; Joint Broadcasters 2025 National Cap Reply Comments.

²⁵ *See generally* Affiliates Associations 2022 Quadrennial Review Comments; Affiliates Associations 2022 Quadrennial Review Reply Comments.

²⁶ Affiliates Associations 2022 Quadrennial Review Comments at 9. As many voices in the broadcast industry have explained, including the Affiliates Associations, elimination of the Commission’s ex ante ownership restrictions would not prevent the agency from reviewing each proposed license assignment application presented to it and determining whether a grant would serve the public interest, convenience, and necessity. Joint Broadcasters 2025 National Cap Reply Comments at 5 (“Removing this ex ante rule, moreover, would not cause the Commission to forfeit its ability to closely review proposed transfers and assignments of broadcast TV licenses as part of its duty under Section 310(d) of the Communications Act of 1934.”).

the elimination of the Two Top-Four Prohibition last year,²⁷ numerous broadcasters have acquired or are in the process of seeking to acquire second, top-four-rated stations in markets in which they already operate.²⁸ Several broadcasters have received or are seeking waivers of the Local Television Ownership Rule to own a third station in the same market.²⁹ And two groups are actively in the process of trying to acquire stations that, assuming the transactions are completed, would reach audiences in excess of the limit prescribed by the National Television Ownership Cap.³⁰

In preparing its 2026 Report, the Commission should acknowledge the role that outdated broadcast-specific rules play in weakening the competitive position of local stations, including the undeniable fact that each of the National Television Cap and the Local Television Ownership Rule

²⁷ *Zimmer Radio of Mid-Missouri, Inc. v. FCC*, 145 F.4th 828 (8th Cir. 2025) (vacating portions of the Local TV Rule as arbitrarily and capriciously retained in the Commission’s 2018 Quadrennial Review Order).

²⁸ See, e.g., *Applications for Assignment of Licenses from Cunningham Broad. Corp., LMS File Nos. 0000276551 et al. and KMTR Television, LLC, LMS File Nos. 0000276767 et al. to Subsidiaries of Sinclair, Inc.*, Letter Order, DA 26-108 (rel. Feb. 3, 2026); *Applications for Assignment of Licenses from HSH Flint (WEYI) Licensee, LLC LMS File No. 0000277992; Traverse City (WGTU-TV) Licensee, Inc. LMS File Nos. 0000277961; and Deerfield Media (Rochester) Licensee, LLC LMS File No. 0000277940 to Subsidiaries of Sinclair, Inc.*, Letter Order, DA 26-177 (rel. Feb. 20, 2026); *Application for Assignment of License from Hoffman Commc’ns, Inc. to Cox Television Jacksonville, LLC LMS File No. 0000281074*, Letter Order, DA 26-304 (rel. Mar. 30, 2026).

²⁹ See, e.g., *Application for Consent to the Assignment of the License of WSWB(TV), Scranton, Pennsylvania, from MPS Media of Scranton License, LLC, to WQMY Licensee, LLC*, LMS File No. 0000290029, Letter Order, DA 26-387 (rel. Apr. 21, 2026); *Application for Consent to the Assignment of the License of WRTV(TV), Indianapolis, Indiana, from Scripps Broadcasting Holdings LLC to CCB License, LLC*, Order, DA 26-207 (rel. Feb. 27, 2026).

³⁰ See Nexstar-TEGNA Order; see also *Media Bureau Establishes Pleading Cycle for Application for Consent to Assignment of Broadcast Television Licenses from INYO Broadcast Licenses, LLC to ION Television License, LLC and Permit-But-Disclose Ex Parte Status for the Proceeding*, Public Notice, DA 26-376 (rel. Apr. 26, 2026) (pertaining to LMS File No. 0000290962).

“pose a barrier . . . to the competitive expansion”³¹ of those local broadcast station ownership groups seeking increased competitive footing through greater scale, whether within local geographic markets and/or nationally. And, retention of the archaic, ex ante ownership rules disincentivizes outside investment into the broadcast ecosystem and serves as a deterrent to would-be new entrants. The Commission should also acknowledge that the regulatory asymmetry does not merely disadvantage broadcasters; it directly harms viewers and local communities. The National Television Cap and the Local Television Ownership Rule deny broadcasters the flexibility to respond to market forces in the same manner as their chief competitors and puts a government-imposed lid on their ability to generate the very revenues that are needed to invest in local news, emergency coverage, and innovations such as ATSC 3.0.

B. Unprecedented Competition in the Video Marketplace Continues to Put Enormous Pressure on Local Broadcasters’ Primary Revenue Streams.

Local broadcast stations continue to experience “massive, downward pressures”³² on the two revenue streams—subscription/distribution fees and advertising dollars³³—on which they primarily rely to fund their broadcast operations including, most importantly, their local news production, and to pay for their acquisition of marquee sports and entertainment programming. Both revenue streams have been negatively affected by the unfettered and unregulated practices of tech giants and the conglomerates that own the Big Four Networks. The Commission’s 2026

³¹ Notice at ¶ 18.

³² Joint Reply Comments of the Four Affiliates Associations, GN Docket No. 24-119 (July 8, 2024), at 9 (“Affiliates Associations 2024 Communications Marketplace Reply Comments”).

³³ See 2024 Communications Marketplace Report, GN Docket No. 24-119, FCC 24-136 (rel. Dec. 31, 2024), at ¶ 250 (“Commercial broadcast television stations generate revenue from two main sources: advertising sales and payments negotiated with MVPDs and OVDs for the right to retransmit station signals.”).

Report should take account of the challenging financial position facing local stations, particularly in small and mid-size markets.

1. Distribution Revenues.

Distribution revenues—that is, retransmission consent fees and vMVPD subscription fees—are one of broadcasters’ two core revenue streams that support the creation of local news and other essential local broadcast programming, as well as their ability to pay for the increasingly expensive Network programming, including sports and entertainment content, provided by ABC, CBS, Fox, and NBC. Put simply, distribution revenues are on the decline. As NCTA explains, “[s]treaming video . . . has prompted massive numbers of consumers to ‘cut the cord,’ foregoing MVPD service entirely. . . . [T]raditional MVPDs occupy only a one-third—and still rapidly shrinking—share of the marketplace.”³⁴ That decline is driven in part by the Big Four Networks themselves through their vMVPD and direct-to-consumer platforms, which serve as substitutes for traditional MVPD video services. While the cable and satellite industries face the most profound impacts of cord-cutting, there are also dramatic repercussions for local broadcasters. Every subscriber who leaves the traditional MVPD ecosystem represents a direct hit to a local station’s ability to support local newsgathering operations, invest in new technology including ATSC 3.0, and pay for increasingly expensive marquee sports and entertainment programming. If an MVPD subscriber leaves the pay-TV universe altogether, a broadcaster whose station’s signal was previously delivered to such subscriber loses the entirety of the retransmission consent fee it had received from the applicable MVPD. Even if that subscriber leaves cable or satellite for a virtual

³⁴ Comments of NCTA – The Internet & Television Association, GN Docket No. 26-78 (May 21, 2026), at 25 (“NCTA Comments”).

MVPD provider, the broadcaster's revenue suffers because of the below-market economics of the vMVPD opt-in paradigm.³⁵

To that point, the decimation of the traditional MVPD subscriber base would be less problematic for local broadcasters if (1) vMVPD subscriber numbers were essentially growing at the same rate as MVPD subscriber losses, and (2) local, Commission-licensed stations were able to negotiate market-based rates with vMVPDs in the same manner as they do with cable and satellite platforms. Neither of those things is happening. At the end of first quarter 2026, there were more than 21 million virtual MVPD subscribers,³⁶ and “if recent trends continue, vMVPD subscribers will outnumber cable video subscribers in less than two years.”³⁷ That figure is well below the approximately 35 million subscribers who have left the traditional pay-TV ecosystem since 2019.³⁸ As discussed below, the Big Four Networks have shown no signs of willingly relaxing their stranglehold on negotiation of vMVPD deals; local stations therefore continue to receive the below-market economics that the Big Four Networks parse out to them as part of

³⁵ See Affiliates Associations Network-Affiliate Comments at 11-12; Affiliates Associations Network-Affiliate Reply Comments at 9-11; Affiliates Associations 2024 Communications Marketplace Reply Comments at 12-16.

³⁶ See Jeff Baumgartner, *US Pay-TV Sheds 2M Subscribers in Q1*, lightreading.com (May 29, 2026), <https://www.lightreading.com/video-streaming/us-pay-tv-sheds-2m-subscribers-in-q1> (estimating 21.33 million vMVPD subscribers nationwide). NCTA states there are more than 21 million vMVPD subscribers, pegging the number at 24 million. NCTA Comments at 26.

³⁷ NCTA Comments at 26-27. As of the end of 2025, YouTube TV had an estimated 9.3 million subscribers, narrowly trailing traditional MVPDs Charter (11.4 million subscribers) and Comcast (10.6 million subscribers); some estimate YouTube TV will surpass each of Charter and Comcast by the end of 2027. See *Omdia: YouTube TV on Track to Become the Largest US Pay-TV Operator by 2027*, omdia.tech.informa.com (Dec. 11, 2025), <https://omdia.tech.informa.com/pr/2025/dec/omdia-youtube-tv-on-track-to-become-the-largest-us-pay-tv-operator-by-2027>.

³⁸ Brooke Gaines, *US Pay TV Households – Projections (2026-2028)*, evoca.tv (May 9, 2025), <https://evoca.tv/paytv-households-in-the-us/> (reporting that there were approximately 84 million traditional pay-TV subscribers in 2019 versus an estimated 49.6 million in 2025).

Network-negotiated distribution agreements with streaming platforms like YouTube TV, Hulu + Live TV, and FuboTV. The Commission’s 2026 Report should take account of these developments and their impact on local stations’ competitive position.

2. Advertising Revenues.

It is no secret that the advertising market is undergoing the same dramatic changes as the multichannel video programming market, with substantial migration of audience attention and advertising dollars away from local broadcasters and toward unregulated digital platforms that enjoy national or global scale and whose employees do not live in, work in, or serve local communities. The dominance of tech and media giants in the advertising space and their supplanting of local broadcasters over the past 20 years has had profound negative financial effects for the local television industry.³⁹ NAB provides current, stark statistics on this score: Local broadcasters used to dominate the local advertising market through the sale of on-air spots; today, local digital advertising is king, accounting for 70 percent of *all* 2024 local ad spending nationwide, with the “lion’s share” of those shifting advertising dollars sucked out of local markets by unregulated tech companies.⁴⁰ Traditional local media outlets, i.e., television and radio stations, as well as newspapers, garner only about 15 percent of the local digital ad spend.⁴¹ As NAB notes, businesses are no longer spending more on advertising while spreading those ad dollars across

³⁹ NAB Comments at 19 (stating that as a result of “the dominance of digital ad platforms in today’s marketplace, the financial health of local broadcast stations has significantly declined over the past two decades”).

⁴⁰ *Id.* at 19-20. And, local digital advertising is expected to capture 76 percent of all local advertising before decade’s end. *Id.* at 20.

⁴¹ *Id.* at 19.

platforms; instead, the total ad spend is plateauing.⁴² Put differently, the pie is not getting larger; local television broadcasters are getting an increasingly smaller piece of it.

NAB catalogues this precipitous decline of ad dollars, showing that industry-wide, local television stations' inflation-adjusted ad revenues have been more than halved in the last quarter century.⁴³ Local television stations are living the on-the-ground, in-market stories told by the aggregate data on a daily basis. Ultimately, plummeting advertising revenues due to unregulated tech behemoths and media conglomerates are one of the many reasons that stations are “increasingly forced to cut back on local news hours and jobs, produce fewer investigative journalism pieces, cease use of important newsgathering tools such as helicopters, delay investments in life-saving weather technology, or combine newsrooms across multiple markets.”⁴⁴

The 2026 Report should acknowledge these market realities.

C. Local Broadcast Stations Face Increasing Competitive Pressure from Their Own Network Partners and Network-Owned Direct-to-Consumer Streaming Platforms.

At the same time local broadcast Affiliates navigate regulatory asymmetry, fight against the Big Tech giants for audiences and ad dollars, and seek to weather declining subscriber counts in the traditional MVPD space, they also face a fundamentally different and uniquely destabilizing form of competition: direct competition from their own broadcast television Networks and from the DTC streaming platforms operated by those Networks' parent companies, including Paramount+, Peacock, Tubi, Fox ONE, ESPN Unlimited, Disney+, and Hulu. Through its

⁴² *Id.* at 20 (“[D]ue to the maturing of the digital economy with slower year-over-year growth, traditional media will be facing an ad ‘marketplace where every dollar gained by one player will increasingly be lost by another.’” (internal citation omitted)).

⁴³ *Id.* at 25-26.

⁴⁴ Affiliates Associations Network-Affiliate Comments at 11-12.

Empowering Local Broadcasters proceeding, the Commission has learned much about the current state of the Network-Affiliate relationship and how changes in that relationship have negatively affected stations' ability to carry out their core "public interest" mission to serve their communities.⁴⁵

For decades, the Network-Affiliate relationship functioned as a true partnership: Networks supplied high-value national programming, and Affiliates provided exclusive local distribution alongside locally produced news and community programming. The programming cycle throughout the day provided mutual benefits to both parties. Congress and the Commission long recognized that this federated and decentralized model served the public interest by combining national scale and its efficiencies with local responsiveness and service to local communities.⁴⁶ That balance no longer exists. Networks now compete directly with their own Affiliates for viewers and advertising revenue, and even the largest local broadcast groups are dwarfed by Network parent companies in scale, capital, and negotiating leverage. The consequence is a one-sided relationship that drains local stations of the resources needed to sustain local newsrooms and serve their communities.

The current Network-Affiliate dynamic is, like many of the other competitive challenges local broadcasters face, hastening the erosion of local journalism and localism more broadly. Today, the vertically and horizontally integrated media conglomerates that own the Big Four Networks both control traditional and virtual MVPD distribution platforms and compete directly with Affiliates through their owned direct-to-consumer services. They exert financial and other control over local Affiliates via the "take it or leave it" terms of Network affiliation agreements,

⁴⁵ *See generally* Network-Affiliate Public Notice.

⁴⁶ *See, e.g.*, Affiliates Associations Network-Affiliate Comments at 3, n.5.

which require Affiliates to pay increasing license fees for content that is no longer exclusive—siphoning revenue away from local stations—and also prevent Affiliates from meaningfully negotiating with virtual MVPDs, forcing them to accept a fundamentally flawed “opt-in” paradigm. The result is a one-way transfer of value away from local broadcasters that provide indispensable local service to national platforms that do not.

1. Network Affiliation Fees Have Escalated to Unsustainable Levels; Affiliates Bear All Downside Risk of Declining Distribution Revenues.

The affiliation fees⁴⁷ that the Big Four Networks extract from local broadcast groups have escalated to levels that often represent the majority of a station’s revenue; in many instances, particularly in small and mid-sized markets, affiliation fees consume all of—or even in excess of—a station’s total retransmission consent revenue. That is, many Affiliates are now “upside down,” paying more to their Network than they earn from all MVPD and vMVPD distribution combined, forcing them to subsidize payments to the Big Four Networks with local advertising revenues, on top of all of the station’s distribution revenues.

Worse, the manner in which contractual affiliation fees are structured frequently means that local stations bear the downside risk of continued MVPD cord-cutting and advertising market competition, while immunizing the vertically integrated media companies that own the Big Four Networks from those risks.⁴⁸ The flaws in the affiliation fee model are glaringly evident: As cord cutting continues (or escalates) and traditional MVPD subscriber numbers decline, a station’s retransmission consent revenues shrink without any corresponding economic relief to Affiliates or

⁴⁷ “Affiliation fees” are also sometimes referred to as “reverse compensation” in reference to the flow of such payments from Affiliates back to the Big Four Networks. *Id.* at 8.

⁴⁸ Affiliates Associations Network-Affiliate Comments at 11; Affiliates Associations Network-Affiliate Reply Comments at 6-9. And critically, as discussed below, the Network-negotiated vMVPD fees paid to Affiliates do not compensate for the Affiliates’ reduced net compensation from traditional MVPDs as consumers “cut the cord.”

downward adjustment in the fees demanded by the Networks. The Networks are largely insulated from any impact of marketplace changes while local stations are forced to absorb the revenue shortfalls created by a declining traditional linear television subscriber base—even though the Networks’ own programming and DTC content distribution practices are drivers of that very decline.

At the same time, the Networks’ practices of negotiating nearly all deals in the virtual MVPD ecosystem results in Networks taking an unfair share of revenue from increasingly dominant linear television distribution platforms like Google’s YouTube TV and Disney’s Hulu + Live TV. The consequence is that local stations disproportionately carry the economic burden of a declining linear television ecosystem, resulting in reduced local news, fewer investigative resources, delayed investment in critical technology, and, in some cases, the elimination of local programming altogether.⁴⁹

2. Program Exclusivity Is Gone; Affiliates Pay More for Less.

The historic value of Network affiliation for local stations arose from the opportunity to serve as the exclusive source of marquee Network sports and entertainment content in the station’s market across all distribution platforms. That exclusivity is gone. Through their direct-to-consumer platforms, the Big Four Networks now make available the exact same programming (frequently simultaneously) for which Affiliates pay exorbitant affiliation fees. To add insult to injury, the Networks promote the availability of those direct-to-consumer services and the content they offer on local stations’ airwaves.⁵⁰ And more recently, the Big Four Networks have begun

⁴⁹ Affiliates Associations Network-Affiliate Comments at 14-16.

⁵⁰ *Id.* at 15 (“The Networks also heavily promote their DTC services to viewers—including via advertisements (the value of which arguably is worth billions of dollars annually) that air via Affiliates’ signals at no cost to the Networks—encouraging viewers to bypass local stations entirely. That is, the Big Four Networks and their parent companies promote their own

striking deals with other distributors that allow the distributors to bundle their platforms alongside the conglomerates' streaming DTC services.⁵¹

The Affiliates Associations have described the Affiliate-Network competition as the “antithesis of a virtuous cycle”:

Networks demand ever-increasing affiliation fees, in return for which they provide their Affiliates steadily diminished programming and no exclusivity, which accelerates cord-cutting and lessens Affiliates' ability to seek fair compensation from distributors, which leaves Affiliates with insufficient resources (after making the exorbitant “reverse comp” payments demanded by the Networks) to produce local news and other local content. And the cycle continues.⁵²

3. Networks Control Negotiations with Virtual MVPDs.

As mentioned above, another chasm in the Network-Affiliate relationship pertains to the Networks' continued, unilateral control of negotiations with virtual MVPD platforms, including Google's YouTube TV, Disney's Hulu + Live TV and FuboTV, and DIRECTV Stream. The Affiliates Associations for more than a decade have pointed out the competitive harms created by the lopsided, inequitable virtual MVPD “opt-in” framework, in which the Big Four Networks and their parent companies control negotiations with vMVPDs for distribution not only of the

distribution platforms, at the expense of local broadcasters, via the very broadcast network system that is meant to serve and benefit local communities and the public interest. At the same time that the Networks are using Big Four Network affiliation fees to impose higher costs on their Affiliates, they are self-preferencing their own, competitive platforms that cannibalize MVPD subscribers, undermining the value of the Affiliates' broadcast signals (because Big Four Network content is no longer available exclusively from Affiliates' stations), and competing directly with broadcasters for viewers and advertisers.”).

⁵¹ The Networks are “licensing access to these streaming services to traditional and virtual linear television platforms as part of their negotiations with these platforms for their owned and operated stations and linear cable channels, in most cases offering access to their direct-to-consumer services at no additional (or significantly reduced) cost. This creates a perverse result for local stations that are purchasing and licensing the same Network content for distribution to these same platforms and their subscribers.” *Id.* at 13.

⁵² *Id.* at 16.

Networks’ own broadcast programming and other assets but also their Affiliates’ local program streams. In this paradigm, Networks negotiate agreements with the virtual MVPDs that include Affiliate stations and then offer Affiliates simple “take it or leave it” proposals that afford local Affiliates little ability—in most cases, zero ability—to even meaningfully push back on the Network-negotiated “offers.” This “opt-in” process effectively permits the national Networks to dictate terms of distribution of one hundred percent (100%) of the broadcast footprint of their respective Networks—all while local stations remain burdened by outdated local and national multiple ownership rules that constrain their scope and reach. If a Network cannot conclude a deal with a vMVPD, *all* local stations affiliated with that Network nationwide are removed from the vMVPD’s platform at once, without any input from the Affiliates. This has happened multiple times in just the last several months. All NBC-affiliated stations were removed from Fubo in November 2025 and remained off of that platform for seven months; and all ABC-affiliated stations were removed from YouTube TV for multiple weeks in November 2025, too.⁵³

The vMVPD opt-in agreements presented by the Networks harm, not help, local stations. Most importantly, the economics in vMVPD deals are generally well below the retransmission consent marketplace that local stations negotiate on their own with traditional MVPDs. The non-economic terms of vMVPD deals, including carriage, packaging, and tiering, are also sub-par. Even worse, the Big Four Networks have agreed to allow some streaming platforms to create tiers of service or “genre packages” that do not include Affiliate stations at all but still offer separate

⁵³ See, e.g., Lucas Manfredi, *Fubo, NBCUniversal Reach New Distribution Deal, End 6-Month Programming Blackout*, thewrap.com (June 10, 2026), <https://www.thewrap.com/industry-news/business/fubo-nbcuniversal-distribution-deal-programming-restored/>; Phil Helse & Joe Kottke, *Disney and YouTube Strike Deal to Bring TV Channels Back to Streaming Platform*, nbcnews.com (Nov. 14, 2025), <https://www.nbcnews.com/business/media/disney-youtube-espn-abc-deal-rcna244061>.

access to the same Network programming licensed by Affiliates, often via the Networks' own direct-to-consumer streaming services. This effectively creates an end-around for these platforms (and their subscribers) to access the very Network programming that Affiliate stations pay for the right to distribute.

Unfortunately, Affiliates have little meaningful choice but to opt-into these Network-dictated agreements. Virtual MVPDs now reach well in excess of 20 million subscribers in the multichannel video programming market—approximately 35% (and growing) of the pay-TV linear television universe.⁵⁴ Affiliates cannot afford to forego carriage on them. Any Affiliate that chooses not to participate in the Network-negotiated “opt-in” deal faces the prospect of the applicable Network importing a “white feed” or “national feed” (inclusive of Network programming but without the Affiliate’s local news and other content), or making one or more of their Network direct-to-consumer products (which also include Network programming) available to the applicable vMVPD platform, in each case without the Affiliate receiving any compensation from that vMVPD.⁵⁵ The availability of Network programming through these DTC platforms or via a “white feed” completely undermines any opportunity for a local station to engage in meaningful negotiations with a vMVPD, even if the Networks were to allow it. There is, in fact, no true “option” available to Affiliates. Taken together,

while Networks take an increasing share of revenue that Affiliate stations derive from retransmission consent payments from traditional MVPDs through higher and higher affiliation fees, they simultaneously extract disproportionate shares of distribution revenue from virtual MVPDs by controlling those negotiations and leveraging control over the entire national footprint of their broadcast network and leaving Affiliate stations with less revenue for distribution of their signals.⁵⁶

⁵⁴See supra n.37.

⁵⁵ Affiliates Associations Network-Affiliate Comments at 19-20.

⁵⁶ *Id.* at 19.

The 2026 Report should highlight this destructive element of the Network-Affiliate relationship and its impact on local stations' competitive standing.

D. Local Broadcast Stations Face Escalating Challenges in the Competitive Marketplace for Sports Programming Rights.

The Commission has also taken a keen interest in the competitive dynamics of the sports broadcasting/sports rights marketplace, the migration of live televised sports programming from free, over-the-air broadcast to paywalled streaming services, and the “nexus between sports programming and the local media marketplace.”⁵⁷ The Commission’s close look comes at a critical time, as live sports have never been more important to the economic viability of local broadcast television. “As the popularity of network and syndicated entertainment programming has waned, local news programming and live sports programming form the content tentpoles that keep local stations financially afloat.”⁵⁸ Indeed, live sports programming is “the engine of the great machine that allows local stations to produce essential local news and information programming that is vitally important to every local community.”⁵⁹

But in many ways that engine is not firing on all cylinders, to the detriment of both fans and local broadcasters. “[L]ive sports and broadcast television have enjoyed a long and mutually beneficial relationship—one that worked well for consumers, too.”⁶⁰ Just as the Networks leveraged local broadcast stations to achieve broad distribution and build their businesses, “[s]ports

⁵⁷ Sports Rights Public Notice at 4.

⁵⁸ Affiliates Associations Sports Public Notice Reply Comments at 3.

⁵⁹ *Id.*

⁶⁰ Sports Rights Public Notice at 1.

leagues leveraged the wide distribution of broadcast TV to help grow their fan base and expand their revenues.”⁶¹ In very real terms, broadcast television helped make the NFL what it is today.

The relationship between the sports leagues and broadcast television now shows troubling parallels to the decline in the Network-Affiliate relationship discussed above. Just as the Networks are eschewing the traditional Network-Affiliate model and threatening the survival of local stations through the destruction of exclusivity in favor of promoting their direct-to-consumer platforms, the major sports leagues (most importantly the NFL) are increasingly moving their games away from free, over-the-air broadcast television in favor of shifting programming behind paywalls to the highest bidder—and the American consumer ultimately picks up the tab.

Live sports are no longer on broadcast TV alone. Today, the NFL has media rights agreements with Disney (ESPN/ABC), Paramount (CBS/Paramount+), Fox Corporation (Fox/Fox One), NBCUniversal (NBC/Peacock), NFL Network, Amazon (Amazon Prime Video), Google (YouTube), and Netflix. Over the life of these agreements the NFL stands to bring in over \$100 billion in sports rights fees. The other major professional sports leagues, the NHL, MLB, and NBA, have also agreed to media rights contracts with a range of national video program distributors that amount to billions of dollars.⁶²

While that may be good for the professional sports leagues, it is not good for fans, who are often frustrated and confused about where to find their favorite teams, and who are having to pay for a plethora of streaming services to watch them. And, the fragmentation of marquee sports across multiple subscription platforms hurts local television stations. Local stations face diminishing access (and zero exclusive access) to that sports programming, resulting in reduced audience reach, weakened advertising performance, and challenges to monetizing the sports programming they do receive in their distribution agreements with MVPDs.⁶³

⁶¹ *Id.*

⁶² *Id.* at 3.

⁶³ In addition, as the Affiliates Associations have noted previously, preemption policies of the Big Four Networks create significant hurdles for local broadcasters seeking to acquire local

The sports rights marketplace challenges facing local stations are exacerbated by the appetite and virtually unlimited financial capacity of non-local streaming platforms, including tech giants, to bid up the price of sports rights. These platforms can justify paying ever-increasing rights fees to drive subscriptions, data collection, or broader ecosystem growth, even when sports content operates at a loss. As a consequence, either those rights disappear behind paywalls, or the media conglomerates that own the Big Four Networks try to outbid the tech companies to retain the rights, in order not only to keep the games on broadcast but also to stream them on direct-to-consumer platforms. Marquee sporting events must remain on local broadcast television to sustain important local news operations, but skyrocketing sports rights costs pose threats to those very operations.

IV. CONCLUSION

The Affiliates Associations urge the Commission to ensure that the analysis set forth in its 2026 Communications Marketplace Report fully reflects the uniquely important role that local television stations continue to play in serving communities throughout the country, acknowledges the unprecedented, asymmetric pressures facing local broadcasters as they fulfill their public-interest mission and the concerning trajectory of localism's future in light of those pressures, and concludes that corrective action to level the competitive playing field for local television broadcasters is necessary and appropriate.

distribution rights for major sports teams and events. Such “policies can make it impossible for stations to air more than a handful of games of local sports programming on their main channels, forcing them to instead broadcast that programming on multicast channels or commonly owned independent channels. . . . The combination of Network preemption policies and vMVPDs’ refusal to negotiate directly with local television stations significantly complicates local stations’ efforts to acquire sports programming on local broadcast stations.” Affiliates Associations Sports Public Notice Reply Comments at 8.

Respectfully Submitted,

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