

ALERT

FCC Opens a Proceeding to Consider Elimination of the UHF Discount

September 27, 2013

On September 26, 2013, the Federal Communications Commission (FCC or Commission) issued a Notice of Proposed Rulemaking (NPRM) to consider whether to eliminate the UHF discount. The UHF discount is an exception to the national television ownership rule that prohibits a single entity from owning stations that reach in the aggregate more than 39% of total television households nationwide. Under the UHF discount, UHF stations count only 50% of the television households in their DMAs toward the cap.

The NPRM seeks comments on the following conclusions and proposals:

- The Commission has the authority to modify the national television ownership rule, including the authority to revise or eliminate the UHF discount;
- The UHF discount should be eliminated because the historical justification for the discount no longer exists;
- If the UHF discount is eliminated, existing broadcast station groups that will exceed the 39% cap should be grandfathered;
- Applications for station acquisitions that are pending or have been granted, but not yet consummated, also would be grandfathered;
- Grandfathered station groups that subsequently are sold or transferred would have to comply with the national ownership cap in place at the time of the transfer; and
- The Commission asks if it should consider adopting a discount for VHF stations.

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Comments are due 30 days and reply comments are due 60 days after the date the NPRM is published in the Federal Register.