

Reverse Auction Filing Window is December 1-18

The filing window for applications to participate in the reverse television spectrum auction will open at noon Eastern Time on December 1 and close at 6:00 p.m. Eastern Time on December 18, according to the Application Procedures Public Notice released by the FCC. In another Public Notice, the Commission listed the opening bid prices for all eligible full power and Class A television stations whose spectrum could potentially be sold in the incentive auction. In cases where the station's spectrum will not be needed for the auction, the Public Notice indicated that. Those stations will not be eligible to participate in the auction. All eligible stations that wish to participate must file an application electronically on Form 177 during the filing window. The reverse auction itself is scheduled to commence on March 29. Licensees with more than one station that they wish to enter in the auction can list all of them on one application form.

A station may be indicated as eligible to file an application even if its license has been cancelled or revoked, has expired or, for a Class A station, been downgraded. Such a station will cease being eligible however if that adverse finding has become a final, non-reviewable ruling by December 18.

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Streamlined Foreign Ownership Procedures Proposed

The FCC has proposed to streamline and relax its procedures for reviewing proposals for foreign ownership stakes in broadcast licensees. Section 310 of the Communications Act requires that at least 80% of the voting and equity interests in a broadcast, common carrier or aeronautical radio licensee, which must be an entity organized under United States law, be held by United States citizens. If the licensee is directly or indirectly controlled by another business entity, up to 25% of the voting and equity interests in that parent entity (which also must be organized under United States law) can be held by aliens without further review. Foreign ownership of the parent company above the 25% benchmark is not permitted if the FCC finds that the public interest would be served by refusing to approve it. The Commission has previously established streamlined procedures for reviewing foreign ownership levels in the entities that control

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FCC Acts to Revitalize AM Radio

The FCC has taken long-awaited action in an effort to improve the viability of AM radio stations. In a *Report and Order* in Docket 13-249, the Commission has authorized a one-time opportunity for the licensees of AM stations to acquire FM translators, liberalized the requirements for coverage of the community of license, and relaxed various other technical regulations. The agency's action included a *Further Notice of Proposed Rulemaking and Notice of Inquiry*, in which the Commission proposed additional changes in the AM technical rules, explored greater use of the AM expanded band, and suggested relaxing the main studio rule. The Commission says that this proceeding constitutes the first comprehensive review in 25 years of the rules governing the nation's approximately 4,700 AM stations.

Report and Order

FM Translators

In 2009, the Commission authorized the use of FM translator stations to rebroadcast the signals of AM stations. Over 900 AM stations are presently repeated

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by FM translators. The translator must qualify as a “fill-in” station under Section 74.1201(g) of the FCC’s rules, which means the FM translator’s 1 mV/m (60 dbu contour) must not reach beyond the lesser of the AM station’s 2 mV/m daytime contour or a radius of 25 miles from the AM transmitter site. This has become a popular method for AM stations to improve the sound of their audio and to offer better service at night when they may be silent or operating with reduced power.

It has been a widely-held expectation that in this rule-making proceeding the FCC would do something to foster the expansion of the use of FM translators by AM stations. Many commenters supported the idea of an auction filing window for translator applications in which only AM licensees and permittees could file applications. While AM broadcasting appears to urgently need immediate help, an impediment to this proposal is the fact that the FCC could not conduct an auction until 2017. The Commission staff and facilities that handle auctions will be occupied in 2016 with the incentive auction for television spectrum.

In the alternative, the Commission adopted an approach to allow more AM licensees to acquire translators in the near-term without the use of an auction filing window. The Media Bureau will implement a process in 2016 whereby an AM licensee or permittee may acquire and relocate a maximum of one authorized commercial band FM translator for a move of up to 250 miles so as to position it to meet the criteria for being a fill-in translator. In the process, the translator can also be moved to any rule-compliant commercial band FM channel. These changes will be requested in minor modification applications, and as such, will be protected from subsequent applications by other translator applicants on a first-come-first-served basis, without the need for an auction. The AM licensee must either own the translator, have an assignment application pending to acquire it, or have a rebroadcasting agreement in place with the translator licensee. In return for allowing these extraordinary moves, the Commission will impose upon any translator that participates in this process the requirement to rebroadcast the associated AM station for a period of four years, commencing with the initiation of the new on-air service, exclusive of silent periods.

The Media Bureau will announce a two-phase filing window for these minor modification applications. The first phase will last six months and be limited to applications for translators that would rebroadcast Class C AM stations (with limited nighttime power) or Class D AM stations (with no nighttime service). These stations will be given the first chance to avail themselves of this opportunity because of their nighttime handicap. After the initial six months, the second phase of the filing window will be opened for another three months for applications for translators that would rebroadcast any AM station.

The FCC acknowledges that these windows for modification applications may not suffice to make translators available for all of the AM broadcasters who might need them. Therefore, the Commission directed the Media and Wireless

Telecommunications Bureaus to conduct two auction filing windows in 2017 for applications for new FM translators. These windows would be open exclusively to AM licensees and permittees who did not participate in the 2016 modification application windows. Each qualifying AM licensee or permittee will be allowed to file only one translator application, proposing facilities that would qualify for status as a fill-in translator. The first filing window will be limited to Class C and Class D AM stations. Upon the closing of that window, mutually exclusive applicants will have an opportunity to resolve their conflicts with settlements or technical amendments. Thereafter, the second window will open – available to all AM stations that have not participated in any of these windows. Applicants will be given another opportunity to employ settlements or technical amendments to resolve conflicts. Lastly, any remaining conflicts will be resolved via competitive bidding in an auction. Translators acquired in these auction filing windows will be permanently linked to the associated AM station and may not be transferred separately.

In addition to the filing windows described above, the Commission directed the Media Bureau to continue to grant so-called *Mattoon* waivers for translator minor modification applications. The *Mattoon* waiver policy requires the satisfaction of three criteria: (1) the applicant is not a serial filer of minor modification applications; (2) the proposed facilities are mutually exclusive with the existing authorization; and (3) the translator will rebroadcast an AM station. Upon the grant of such an application, the translator will be required to rebroadcast that AM station for four years, exclusive of silent periods.

The Commission noted that the Media Bureau had denied an application for an enlargement of the *Mattoon* waiver policy in the so-called *Tell City* waiver request. The applicant in that case had proposed to modify the second *Mattoon* criterion so as to require that the proposed and existing facilities each be within the AM station’s 0.25 mV/m interfering contour, rather than mutually exclusive with each other. The *Tell City* applicant is pursuing its case in an application for review, which the Commission does not wish to prejudge at this time.

Community Coverage Standards

Under the rules in effect to this point in time, an AM station has been required to encompass the entire community of license within its daytime 5 mV/m contour, although under a long-standing staff policy, coverage of at least 80% of the community’s area or population was deemed sufficient. The Commission observed that when a station is forced to relocate its antenna site in an urban area, land use and environmental restrictions can make it extremely difficult to secure a cost-effective site that also meets the FCC’s coverage requirements. Therefore to reduce that burden, the Commission modified the coverage requirement to 50% of the area or the population of the station’s community of license for stations proposing a modification.

This relaxation will not pertain to new stations seeking an original antenna site or to applicants proposing to change the

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Unlike with other applications, a “red light” flag on an applicant’s record, indicating that it owes a past-due debt to the FCC, will not prevent the Commission from processing the application and will not preclude the applicant from participating in the reverse auction. Such an applicant will, however, have to agree to allow the Commission to withhold enough funds to cover the debt from the auction proceeds the applicant may be entitled to receive if the debt is still outstanding at the pay-out date.

Each applicant that selects going off-air as a bidding option for a station must indicate on the application whether it will hold any other broadcast licenses in the event that all of its bids to go silent are accepted. If it will hold another broadcast license, then it must certify that it will remain subject to any license renewal or FCC enforcement action pending at the time of the auction application deadline against the station that may go silent as a result of the auction. If it will not hold any other broadcast licenses, it must agree to allow the Commission to withhold from its auction proceeds funds to satisfy liabilities that might arise and to certify that it will remain subject to FCC jurisdiction to impose enforcement or other liabilities upon it notwithstanding the fact that it has surrendered the license.

An applicant must identify one or more bid options for which it is eligible in its application. Bid options include (1) going silent, (2) moving from a UHF channel or high VHF channel to a low VHF channel, or (3) moving from a UHF channel to a high VHF channel. A station intending to share a channel with another station would select the silent option because that has the same practical effect as going silent – a channel is cleared. The desired bid options must be listed in the application and submitted by the close of the filing window on December 18. However, when the auction commences in March, the applicant can decline to pursue any of the options and thereby drop out of participation. An applicant wishing to preserve flexibility to bid for all options in the auction should select all options available to it in the initial application. Any option that keeps a station on the air (including channel-sharing) will preserve that station’s cable and satellite carriage rights as they existed before the auction.

An applicant must determine which bid option, if any, it wishes to pursue and identify that option to the FCC by

6:00 p.m. Eastern Time on March 29. That will then be a binding irrevocable offer to relinquish the relevant spectrum usage rights in exchange for the opening price offer for that bid if that station is selected to be a winning applicant. Failure to commit to an initial relinquishment option for a station will preclude that station’s involvement in the entire remainder of the auction. In reliance on the specific commitments made by television stations, the Commission will then develop an initial clearing target (the amount of spectrum to be cleared for use by wireless services) and a television allotment plan (for post-auction repacking of the stations that remain on the air).

An applicant with a pre-auction channel-sharing agreement (“CSA”) must certify in its application that (1) the CSA is rule-compliant, (2) it accepts any risk that implementation of the CSA may not be feasible for any reason, (3) the CSA will not trigger any violations of the Commission’s multiple-ownership rules, (4) its operation from the shared channel facilities will not result in a change to its Designated Market Area, (5) it can provide required coverage of the community of license from the shared facilities, or if not, that the new community of license for its shared facilities meets an equal or higher allotment priority, or if no community meets that priority, the selected community meets the next highest priority.

The host station in a CSA is not required to file an application. However, it must certify that the CSA is rule-compliant and that the agreement will not trigger violations of the Commission’s multiple-ownership rules.

The schedule for the reverse auction will be as follows:

Pre-auction process tutorial available (via Internet)	November 17
FCC Form 177 filing window	December 1, Noon ET to December 18, 6 pm ET
Bidding and post-auction tutorial via Internet	February 29
Initial commitment deadline	March 29, 6 pm ET
Initial clearing target and band plan announced	3-4 weeks after commitments
Mock auctions	TBA
Bidding in clock rounds begins	TBA

Commercial Biennial Ownership Reports Due December 2

All commercial broadcast stations are required to file Biennial Ownership Reports with the FCC in the autumn of odd-numbered years. The Commission’s Media Bureau has set December 2 as the filing deadline for ownership reports in 2015. These reports are submitted on Form 323 with data accurate of as October 1 rather than the filing date. The report must identify all parties with an attributable interest in the station. Attributable interests are defined

in the notes to Section 73.3555 of the Commission’s rules, and include officers, governing board members, partners and holders of a five percent or greater ownership stake. An FCC Registration Number must be listed for every holder of an attributable interest. If the licensee is a subsidiary of another entity, a separate report must also be filed for the parent. Multiple stations owned by the same licensee can be listed on the same report form.



DEADLINES TO WATCH



License Renewal, FCC Reports & Public Inspection Files

- Dec. 1, 2015 Deadline to place EEO Public File Report in public inspection file and on station's Internet website for all nonexempt radio and television stations in **Alabama, Colorado, Connecticut, Georgia, Maine, Massachusetts, Minnesota, Montana, New Hampshire, North Dakota, Rhode Island, South Dakota and Vermont.**
- Dec. 1, 2015 Deadline to file Biennial Ownership Report for all noncommercial radio stations in **Alabama, Connecticut, Georgia, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont,** and non-commercial television stations in **Colorado, Minnesota, Montana, North Dakota and South Dakota.**
- Dec. 1, 2015 Deadline for all broadcast licensees and permittees of stations in **Alabama, Colorado, Connecticut, Georgia, Maine, Massachusetts, Minnesota, Montana, New Hampshire, North Dakota, Rhode Island, South Dakota and Vermont** to file annual report on all adverse findings and final actions taken by any court or governmental administrative agency involving misconduct of the licensee, permittee, or any person or entity having an attributable interest in the station(s). Stations for which this is the license renewal application due date will submit this information as a part of the renewal application.
- Dec. 1, 2015 Deadline to file EEO Broadcast Mid-term Report for all radio stations in employment units with more than 10 full-time employees in **Alabama and Georgia.**
- Dec. 1, 2015 Deadline to file Ancillary/Supplementary Services Report for all digital television stations.
- Dec. 2, 2015 Deadline for all commercial radio and television stations to file Biennial Ownership Report with data accurate as of October 1.
- Jan. 10, 2016 Deadline to place Issues/Programs List for previous quarter in public inspection file for all full service radio and television stations and Class A TV stations.
- Jan. 11, 2016 Deadline to file quarterly Children's Television Programming Reports for all commercial television stations.

Deadlines for Comments In FCC and Other Proceedings

Docket	Comments	Reply Comments
(All proceedings are before the FCC unless otherwise noted.)		
Docket 15-121; FNPRM Regulatory fees	Nov. 9	Dec. 7
Docket 02-278; Public Notice Request for retroactive and and prospective waiver of certain telemarketing rules for NAB members		Nov. 9
Department of Justice Antitrust Division Review of ASCAP and BMI consent decrees	Nov. 20	N/A
Docket 15-216; NPRM Good faith negotiations for retransmission consent agreements	Dec. 1	Jan. 14
Docket 15-236; NPRM Foreign ownership of broadcast licensees	Dec. 21	Jan. 20
Docket 13-249; FNPRM and NOI Revitalization of AM radio	FR+60	FR+90
FR+N means the filing deadline is N days after publication of notice of the proceeding in the Federal Register.		

Audible Crawl Rule Becomes Effective November 30, 2015

This rule requires television broadcasters to transmit on the secondary audio program stream an aural version of text-based emergency information broadcast outside of regularly scheduled news programming or EAS alerts.

Captioning of "Straight Lift" Video Clips Delivered via IP Required as of January 1, 2016

This rule requires captioning of the Internet transmission of any clip containing a single excerpt of a captioned broadcast TV program. Montages containing multiple clips of captioned broadcast content must be captioned for IP transmission by January 1, 2017.

**FILING WINDOW FOR APPLICATIONS
IN AUCTION 1000
REVERSE TELEVISION SPECTRUM
INCENTIVE AUCTION
DECEMBER 1, 2015, 12:00 NOON ET
to
DECEMBER 18, 2015, 6:00 PM ET**



DEADLINES TO WATCH



Cut-Off Date for AM and FM Applications to Change Community of License

The FCC has accepted for filing the AM and FM applications identified below proposing to change each station's community of license. These applications may also include proposals to modify technical facilities. The deadline for filing comments about any of the applications in the list below is December 21, 2015. Informal objections may be filed anytime prior to grant of the application.

Present Community	Proposed Community	Station	Channel	Frequency
Quartzsite, AZ	Parker Strip, AZ	New	275	102.9
Dermott, AR	Moorhead, MS	New	224	92.7
Maumelle, AR	Bigelow, AR	KWLR	245	96.9
Barstow, CA	Hinkley, CA	New	267	101.3
Pinellas Park, FL	Largo, FL	WHBO (AM)	N/A	1040
Morris, IL	Geneva, IL	WCSJ (AM)	N/A	1550
Bastrop, LA	Calhoun, LA	New	228	93.5
Newton, MA	Cambridge, MA	WNTN (AM)	N/A	1550
Laurel, MS	Collins, MS	WAML (AM)	N/A	1340
Oxford, MS	Courtland, MS	WTNM	229	93.7
Marshfield, MO	Fair Grove, MO	KQOH	220	91.9
Monticello, NY	South Fallsburg, NY	WJUX	259	99.7
Crary, ND	Rugby, ND	KKWZ	237	95.3
Devils Lake, ND	Crary, ND	KQZZ	244	96.7
McAlester, OK	Krebs, OK	KTMC-FM	286	105.1

Cut-Off Dates for FM Booster Applications

The FCC has accepted for filing the applications for new FM booster stations as described below. The deadline for filing a petition to deny each of these applications is indicated. Informal objections may be filed any time prior to grant of the application.

Community	Parent Station	Channel	MHz	Filing Deadline
Boston, MA	WXRV	223	92.5	Nov. 13
Kent, WA	KDDS	257	99.3	Nov. 13
Rainier Beach, WA	KDDS	257	99.3	Nov. 13
Seattle, WA	KDDS	257	99.3	Nov. 13
Tukwila, WA	KDDS	257	99.3	Nov. 13

**WORKSHOP FOR
REVERSE AUCTION
APPLICATION PROCESS
NOVEMBER 17, 2015, 10:00 AM TO
1:00 PM ET**

Lowest Unit Charge Schedule for 2016 Political Campaign Season

During the 45-day period prior to a primary election or party caucus and the 60-day period prior to the general election, commercial broadcast stations are prohibited from charging any legally qualified candidate for elective office (who does not waive his or her rights) more than the station's Lowest Unit Charge ("LUC") for advertising that promotes the candidate's campaign for office. Lowest-unit-charge periods are imminent in the following states. Some of these dates are tentative and may be subject to change.

State	Election Event	Date	LUC Period
Iowa	Presidential Caucuses	Feb. 1	Dec. 18 - Feb. 1
New Hampshire	Presidential Primary	Feb. 9	Dec. 26 - Feb. 9
S. Carolina	Republican Pres. Primary	Feb. 20	Jan. 6 - Feb. 20
Nevada	Democratic Pres. Caucus	Feb. 20	Jan. 6 - Feb. 20
Nevada	Republican Pres. Caucus	Feb. 23	Jan. 9 - Feb. 23
S. Carolina	Democratic Pres. Primary	Feb. 27	Jan. 13 - Feb. 27
Alabama	Pres. & State Primary	Mar. 1	Jan. 16 - Mar. 1
Arkansas	Pres. & State Primary	Mar. 1	Jan. 16 - Mar. 1
Georgia	Presidential Primary	Mar. 1	Jan. 16 - Mar. 1
Massachusetts	Presidential Primary	Mar. 1	Jan. 16 - Mar. 1
Minnesota	Presidential Caucuses	Mar. 1	Jan. 16 - Mar. 1
N. Carolina	Presidential Primary	Mar. 1	Jan. 16 - Mar. 1
N. Dakota	Presidential Caucuses	Mar. 1	Jan. 16 - Mar. 1
Oklahoma	Presidential Primary	Mar. 1	Jan. 16 - Mar. 1
Tennessee	Presidential Primary	Mar. 1	Jan. 16 - Mar. 1
Texas	Pres. & State Primary	Mar. 1	Jan. 16 - Mar. 1
Vermont	Presidential Primary	Mar. 1	Jan. 16 - Mar. 1
Virginia	Presidential Primary	Mar. 1	Jan. 16 - Mar. 1

Paperwork Reduction Act Proceedings

The FCC is required under the Paperwork Reduction Act to periodically collect public information on the paperwork burdens imposed by its record-keeping requirements in connection with certain rules, policies, applications and forms. Public comment has been invited about this aspect of the following matters by the filing deadlines indicated.

Topic	Comment Deadline
Topic Comment Deadline Reverse Incentive Auction Application, Form 177	Nov. 13
Licensee conducted contests, Section 73.1216	Dec. 7
Children's television requests for preemption flexibility	Dec. 18
FM translator construction permit application, Form 349	Dec. 18
Definition of cable television markets, Section 76.59	Dec. 28
Application for audio and video service authorization, Form 2100, Schedule B	Dec. 28

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community of license. The Commission said that these applicants have the flexibility to select a community and an antenna site from which to provide rule-compliant coverage. By contrast, licensees of incumbent AM facilities may face situations where the community has changed dramatically over time, growing and morphing in ways that may have been unpredictable when the station was established long ago. The Commission emphasized that it is not intending to re-interpret community coverage in such a way that proponents of new and relocated service can be excused from providing an adequate AM signal. To help preserve the limited intent of the amendment to give relief to a category of AM under stress, the Commission authorized the Media Bureau to inquire into the facts justifying a reduction in the coverage required for applicants who have been on the air less than four years.

For the same reasons, the Commission also eliminated the nighttime minimum coverage requirement for the community of license for existing stations. For applicants for new stations and those proposing to change the community of license, the requirement is reduced to coverage of 50% of the population or area of the community of license with the nighttime 5 mV/m signal or the nighttime interference-free contour, whichever value is higher.

The “Ratchet Rule”

Class A and B AM stations seeking to make facility changes have been required to demonstrate that the proposal would result in an overall reduction in the amount of sky-wave interference that it causes to certain other AM stations. This would be accomplished primarily by “ratcheting back” radiation in the direction of the station that might receive the interference. The Commission has come to understand that this rule actually discourages improvements because compliance often requires the modifying station to reduce power to the point that the net nighttime interference-free service was reduced. The agency eliminated this rule with the expectation that stations would have more incentive to implement nighttime improvements, and that those improvements would involve less costly antenna systems.

Modulation Dependent Carrier Level Controls

Since 2011, AM stations have been allowed to request a rule waiver or an experimental authorization to use Modulation Dependent Carrier Level (“MDCL”) control technologies. These technologies for newer transmitters vary either the carrier or the carrier and sideband power levels as a function of the modulation level. This allows the station to operate more economically by reducing transmitter power consumption while maintaining audio quality and signal coverage. This technology reduces the antenna input power to levels not permitted by Section 73.1560(a) of the rules.

The Commission amended that rule section to provide that a station may commence MDCL control operation without prior Commission authority, but then notify the agency within ten days by filing Form 338 electronically in CDBS. The transmitter must achieve full licensed power at some audio

input level, or when the MDCL is disabled. The MDCL must be disabled before field strength measurements are taken.

Antenna Efficiency Standards

The Commission adopted its proposal to reduce the AM antenna efficiency standards by 25%. This will give stations greater flexibility for antenna height and the length of ground radials, and thus reduce the burdens of finding appropriate antenna sites in congested urban areas.

Some parties in the rulemaking espoused a more radical approach. The agency observed that further updating of the AM antenna efficiency rules would benefit from real world data. It therefore directed the Media Bureau to entertain requests from existing AM broadcasters for experimental authorizations to operate facilities that do not comply with the modified antenna efficiency rules so that such data can be generated and evaluated in the course of future rulemakings.

Notice of Proposed Rulemaking

Protecting Class A Stations

The remainder of the Commission’s action concerned proposals for future consideration. Among these is a suggestion to reduce protection standards for the 73 Class A stations. These stations have up to 50,000 watts of power with large protected service areas, especially at night. Over 200 other AM stations must reduce power and/or use a directional antenna system to protect Class A stations during critical hours for the transitions between day and night. Many additional stations must employ similar methods to protect the Class A stations at night, resulting in substandard service for their own audiences. These high power wide-area stations were established in the early days of radio when there were many fewer stations, especially in rural areas. In this era of high-density radio service, many people argue that wide-area protection for Class A stations is an obsolete concept.

Currently, Class A stations are protected during the day to their 0.1 mV/m groundwave contour by co-channel stations, and to their 0.5 mV/m groundwave contour by adjacent channel stations. At night, these stations are protected to their 0.5 mV/m-50 percent skywave contour by co-channel stations, and to their 0.5 mV/m groundwave contour by adjacent channel stations. All Class A stations are protected to their 0.1 mV/m groundwave contour during critical hours. The Commission has tentatively concluded that Class A stations (1) should be protected to their 0.1 mV/m groundwave contour by co-channel stations both day and night; (2) should continue to be protected to the 0.5 mV/m groundwave contour from first adjacent channel stations both day and night; and (3) should no longer receive any critical hours protection.

The Commission requests comment about what populations that currently use Class A service would lose it under this proposal. On the other hand, how many stations would be able to increase their power and how many people would receive new services? What effect would these changes have

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on rural audiences or on EAS Primary Entry Point stations? What costs are likely to result from these proposals?

Siting of FM Translators

Commenters in this proceeding have suggested that the current rule on the siting of FM translators that rebroadcast AM stations is too restrictive. As noted above, the fill-in translator's 1 mV/m contour must not exceed the lesser of the AM station's daytime 2 mV/m contour or a 25-mile radius centered at the AM antenna site. The FCC proposes to extend the fill-in area to the greater of those two circles (rather than the lesser), but in no event may the translator's 1 mV/m contour extend beyond the 40-mile radius centered at the AM antenna site.

Surrender of Licenses by Dual Licensees

In 1991, the FCC adopted rules to exploit the then-vacant expanded AM band, 1605-1705 khz. Existing AM licensees were invited to apply for authorizations to operate in that band, to simulcast their programming on both stations, and then eventually to migrate to those frequencies, relinquishing the original licenses in the lower band. The objective was to reduce interference in the original AM band by reducing the number of stations operating there. Licensees were to be given five years in which to operate both stations together. At the close of the five-year period, they were to surrender one of the licenses. Although the five-year period has long since expired, there remain 25 pairs of these stations where neither license has yet been surrendered. This frustrates the purpose of attempting to eliminate some degree of interference. The Commission proposes to require these licensees to surrender either of their licenses within one year of the release of the future report and order in which this proposal is adopted.

Notice of Inquiry

Expanded AM Band

According to many observers and commenters, the 100 kilohertz of the expanded AM band is presently underutilized.

The Commission launched an inquiry to explore whether exploiting these frequencies would help revitalize AM radio, and if so, how to use this band beneficially. The Commission invites comments about who should receive authorizations in this band. Should preferences be given to migrators from the old AM band, to new applicants, to applicants proposing all-digital operations? Presently, expanded allotments are distributed on a table of allotments, similar to that used for commercial FM. Should that process involving distance separation criteria be continued, or should protection be determined by contour protection standards, as is the case in the old AM band now? Should the band include a mixture of classes of stations? Or should they all be one class and operate with the same power?

Main Studio Rule

The FCC's rules currently require each full power broadcast station to maintain a main studio, which includes a full time staffing component. Noncommercial licensees have been granted waivers of the main studio rule for co-owned stations where one station houses the main studio for one or more other stations that have the waiver. Although Section 73.1125(d)(2) of the Commission's rules contemplates waivers for commercial stations, they are rare. The Commission asks whether a reduction in the burden of operating a main studio would help revitalize AM radio. Should the agency grant a waiver to a group owner as it does now for noncommercial radio? Or should the Commission amend the main studio requirements, such as reducing the level of staffing needed? Are there other elements of the main studio rule that could be relaxed to provide relief to hard-pressed AM licensees?

The Commission solicits public comments on the issues described above, as well as additional technical questions that affect interference standards and levels. Comments will be due 60 days after publication of notice of this proceeding in the Federal Register. Replies are to be filed 90 days after that publication.

DTV Ancillary/Supplementary Use Reports Due Dec. 1

The FCC requires the annual submission of an Ancillary/Supplementary Use Services Report for every digital television station – including all full power, Class A and low power stations. These reports are due by December 1 for the twelve-month period ending September 30, 2015.

Ancillary and supplementary services are nonbroadcast communications services provided on the excess digital capacity of a digital television station's transmission stream. Television programming transmitted on digital multicast channels is not part of this category of service. The report must include: (1) a description of the ancillary or supplementary services provided, (2) which services were provided for fees and which were provided without fees, (3) the gross revenues received from all services for which fees were charged, and (4) the amount of bitstream used to provide services. Five percent of the gross revenues derived from

these services must be paid to the FCC, accompanied by a Form 159.

In past years, this report was filed electronically through the FCC's CDBS on a Form 317. Most television application and report forms have now migrated to the next generation of FCC electronic filing systems, the Licensing and Management System, or LMS. Accordingly, this year, the Ancillary/Supplementary Use Reports will be filed on Form 2100, Schedule G in LMS. A report must be filed for every digital television station whether or not it provided ancillary or supplementary services. One form may be used to submit the reports for commonly owned stations, provided that none of them transmitted ancillary or supplementary services. For each station that did provide these services, a separate form must be filed.

Streamlined Foreign Ownership Procedures Proposed

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common carrier licensees. In a *Notice of Proposed Rulemaking* in Docket 15-236, the agency has now proposed to extend most of those streamlined procedures to entities that have interests in broadcast licensees as well.

In a 2013 declaratory ruling, the Commission articulated its current policies on foreign broadcast ownership. It said that the 25% benchmark – which has often been perceived as a strict limit – is merely a trigger for the exercise of the agency’s discretion. In that proceeding, the Commission declined to establish a standardized review process, but clarified that it would conduct case-by-case reviews of each proposal submitted to it for ownership structures exceeding the 25% benchmark. The Commission was presented with an opportunity for just such a review when Pandora Radio petitioned for a declaratory ruling after it applied to purchase a radio station. The ruling was necessitated by the fact that Pandora Radio’s parent, Pandora Media, was a publicly traded company for which Pandora was unable to definitively determine the level of foreign ownership. The Commission says that its experience in the Pandora case led it to develop the proposals in this proceeding.

The FCC has tentatively concluded that the considerations underlying the decision to streamline common carrier reviews are generally also applicable to broadcasting. However, certain service-specific differences are being proposed. Most notably, the threshold for naming a specific investor in a common carrier parent entity is a ten percent interest, while it is proposed to be a five percent interest for a broadcast parent entity.

Under this proposed regime, a proponent seeking approval for foreign ownership of the parent entity of a broadcast licensee would submit a petition for a declaratory ruling as an attachment to the relevant assignment, transfer-of-control or construction permit application. If the proposed new foreign ownership does not require one of those applications, the petition is to be submitted directly to the Secretary of the FCC. Under these proposed streamlined procedures, the petitioner would be able to request:

(1) approval of up to 100 percent aggregate foreign ownership (voting and/or equity) by unnamed and future foreign investors in the controlling U.S. parent of a broadcast licensee, subject to certain conditions (specific approval for investors holding less than a five percent interest would not be required);

(2) approval for any named foreign investor that proposes to acquire a less than 100 percent controlling interest to increase the interest to 100 percent in the future;

(3) approval for any non-controlling named foreign investor to increase its voting and/or equity interest up to and including a non-controlling interest of 49.99 percent at some time in the future.

Principles for calculating the percentage of ownership through multiple layers of parents and subsidiary entities and for determining the adequacy of insulation of limited partners would follow those already used for regulating broadcast multiple ownership in Section 73.3555 of the Commission’s rules.

Tracking the ownership of hundreds or thousands of stockholders poses special problems for widely-traded public companies that have attributable broadcast interests. Most shares of publicly-traded companies are now held in street name by brokerage firms, making it difficult or impossible to identify the beneficial owners. Recognizing these difficulties, the Commission asks whether, in view of the strict requirements of Section 310(b)(4) of the Communications Act, it has the discretion to allow licensees more flexibility in demonstrating their compliance with the foreign ownership limits. Could a company merely rely on stock ownership information that is known or reasonably should be known in order to demonstrate compliance with the foreign ownership benchmark? What amount or type of shareholder data should a company be required to produce to satisfy a “best efforts” standard for compliance? Should a street address be accepted as a proxy for citizenship? Should the Commission eliminate the presumption that unidentified shareholders are to be counted as foreign?

On the other hand, the FCC observes that every public company organized in the United States should be expected to know information about certain shareholders. The number of shares held by officers and governing board members should be easily accessible. Rules of the Securities and Exchange Commission require the identification of shareholders with a five percent or greater ownership interest (ten percent for institutional investors). The Commission asks whether there are other categories of shareholders for which information might be readily available.

The Commission solicits comments on these issues and proposals, which will be due December 21. Replies must be filed by January 20.

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