The Daily Dish

Time to Jettison Legacy FCC Rules

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You know, maybe it's time to try again. The endless (and pointless) network-neutrality debate over regulation of the internet using Title I versus Title II of the Communications Act of 1934 convinced Eakinomics it was time to simply dump the 1934 Act and pass a modern law for internet regulation. Now, a similar issue arises regarding Federal Communications Commission (FCC) ownership rules for broadcast media.

As nicely exposited by former AAF policy expert Jeff Westling (now at the International Center for Law & Economics where we wish him well and a better back swing) and Aryan Mirchandani:

> *The Federal Communications Commission (FCC) has long set standards designed to prevent consolidation within the radio and broadcasting industry. These standards aim to promote competition, localism and diversity of viewpoints by ensuring that the power to inform the masses is not held by limited actors. Congress directed the FCC to reevaluate these standards every four years to determine if they continue to meet their intended aim. In September, the FCC issued a Notice of Proposed Rulemaking continuing the latest quadrennial review.*

The rules the FCC will review limit the number of broadcast stations a single individual or firm can own in any given market. They also essentially bar mergers across the major networks. The problem is that in the internet era there is no "local," so local ownership rules simply don't make sense. Consumers have myriad options to listen or watch in digital, internet-based media. Any need for competition or viewpoint diversity can be dealt with by their choices.

In fact, the right solution may not be to revisit these rules, but simply to eliminate them. In the words of the authors:

> *Nielsen data show that broadcast accounted for just over 16 percent of total television viewing time in August 2025, while streaming services jumped to more than 46 percent. Despite the drop in audience for broadcasting, these firms are still subject to regulations not imposed on streaming services or cable media.*

These very rules may be blocking the route to merger-based efficiencies and cost-saving that would permit the local media to more successfully compete with streaming services.

The solution is not to cling to the rules required by legacy legislation from your grandfathers' media landscape. It is for Congress to provide the FCC with authorities that match the modern setting.