

## Fox and CBS return to broadcaster trade group

May 11 2010, By JOEL SCHECTMAN, AP Business Writer

(AP) -- The CBS and Fox television networks have rejoined the National Association of Broadcasters after a decadelong breakup.

The reunion comes as the industry faces a raft of regulatory issues and commercial disputes with the <u>Federal Communications Commission</u>, cable TV providers and recording companies.

Fox left the NAB in 1999 and CBS followed in 2001 after disputes with local stations over federal rules on ownership restrictions. Larger broadcasters wanted looser restrictions. Smaller stations, "affiliates" that carry network programming but are owned by other companies, worry that would give the networks too much leverage over them.

The two other major networks, NBC and ABC, also left over similar issues but have since returned.

Congress ultimately loosened ownership restrictions in 2004, allowing networks to own stations that reach 39 percent of U.S. households instead of just 35 percent.

Some broadcasters are now battling an FCC proposal to reclaim some airwaves used to deliver over-the-air television signals. The spectrum is desired to expand wireless Internet services.

Although the FCC has described such a transfer as voluntary, the NAB complains that some aspects of the plan "may in fact not be as voluntary



as originally promised" because the FCC is also considering imposing fees for using spectrum to encourage broadcasters to vacate airwaves.

Meanwhile, cable and other <u>subscription TV</u> providers are asking the FCC to give them more clout in negotiations with TV broadcasters over the fees the providers pay to carry stations on their lineups.

And recording companies are seeking royalties for songs played on radio stations; the broadcasters are currently exempt from doing so.

"Both networks and affiliates agree on 99 percent of all issues, and the fact that CBS and Fox came in shows we are better as a united industry," said Dennis Wharton, spokesman for the NAB.

Martin D. Franks, CBS executive vice president for government affairs, said in a statement that a "resurgent NAB" would help <u>broadcasters</u> address their concerns.

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