

[FCC to Study Economic Effect of LPFM on Full-Power FM - But Not the Economic Impact of Any Interference that May Be Caused](#)

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May 10, 2011

As part of the Local Community Radio Act which, among other things, repealed restrictions against protecting full-power FM stations from third-adjacent channel interference from LPFM stations, Congress required that the FCC conduct a study of the economic impact that such stations will have on full-power FM stations. The FCC began the process of conducting that study, [asking for public comment on a series of questions designed to look at that impact](#). Comments are due on June 24, 2011, with reply comments to be filed by July 25. The Commission asks for comments in two general areas, asking what impact LPFM will have on full-power stations' revenues and on their audience share, but tentatively decided that it would not look at any economic impact that interference from LPFM would have on full-power stations.

What led the FCC to this tentative conclusion? The FCC said that the Act did not specifically require any study of the economic impact of interference and, since the principal purpose of the Act was to set out how the FCC should deal with interference remediation, Congress had already addressed all that needed to be considered about any potential interference. This view was bolstered by the inclusion in previous legislation of a specific directive to study interference, which led to the report from the MITRE Corporation. That report concluded that there would be no substantial interference from LPFM to full-power stations, which opened the door to the passage of the Act. Thus, the Commission reached the tentative conclusion that no additional study of the economic impact of LPFM was necessary, but they seek comment on that tentative conclusion. We expect that there will be such comments.

Why would we expect comment on this issue? Many broadcasters have disputed the findings of the MITRE report, contending that it underestimated or downplayed potential interference. Even though the legislation was adopted, it was widely reported that this legislation was the result of a compromise between broadcasters and LPFM advocates (see our summary [here](#)). So one would think that, as a compromise, the parties would not have resolved all controversial issues - but instead agreed to disagree on those matters where consensus was not possible. Usually, when legislation contains a clause ordering a government study, it's because of one of those "agree to disagree" moments. And, certainly, many broadcasters that I have talked to

think that interference from a significant number of new LPFM stations, even if it is all cumulative and not the result of any one new LPFM station, will result. Perhaps we will see these points made in comments on the interference question.

On the issues that the FCC believes need to be considered - audience and advertising competition - the FCC asks a series of questions. On the question of audience competition, the FCC asks for comments on the following:

- Will LPFM stations have an impact on the audience ratings of full-power stations?
- Have existing LPFM stations had an impact on the ratings of full-power stations?
- Will Arbitron show any impact of LPFM on full-power stations?
- Is Arbitron the only way to measure any impact of LPFM stations on full-power station's ratings?
- How can such measurements be made in non-Arbitron markets?
- Even if the impact of LPFM on full-power station ratings can be assessed, is there any way to measure the economic effect of any such impact?

On the issue of the impact of LPFM on full-power station's revenues, the Commission asks:

- Does LPFM underwriting impact the advertising market for full-power radio?
- How much LPFM funding comes from underwriting?
- Is there any way to assess the impact of LPFM on the revenues of full-power radio stations?
- Is BIA/Kelsey the best source of revenue data for radio stations, or should other sources be used?

Finally, the FCC asks if the economic impact should be assessed where the FM station has a coverage area that encompasses an LPFM, or when an LPFM is simply in the same Arbitron market.

The Commission is looking for specific data to make these assessments - something that is probably going to be very difficult to come by. It may well be that the biggest

impact is the one that the FCC has preliminarily decided not to talk about. So broadcasters should be ready to comment on all these issues - including the impact of interference - all by June 24.

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