

United States Senate

WASHINGTON, DC 20510

May 20, 2008

Gene L. Dodaro
Acting Comptroller General of the United States
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

Dear Mr. Dodaro:

We write to you today with concern over consolidation in the media industry and the apparent lack of independently produced and owned content on various media outlets. In the television industry, we understand that about 50 percent of primetime programming was independently produced in 1989, but that only 18 percent of primetime programming is independently produced today. In the radio industry, we hear from independent producers that programming that is unaffiliated with a radio broadcaster, or broadcasters' affiliated companies, have difficulty getting carried on radio stations, or if carried, are done so under unfavorable conditions. And while the subscription video industry once looked like a promising alternative for independent programming, vertical integration and retransmission agreements have prevented this from coming to fruition; in particular, the parent companies of the cable operators and broadcast companies control much of the subscription video content. Given these trends, we worry that the percentage of independently produced and owned content on media outlets will continue to fall, thereby limiting the number of distinct media voices.

As you know, in recent decades, the Congress and the Federal Communications Commission (FCC) have made several important changes to the laws and regulations governing the media industry. With the Telecommunications Act of 1996, the Congress loosened the ownership limits on radio broadcasters and deregulated much of the cable television industry. In 1995, the FCC repealed the Financial Interest and Syndication Rules, which had limited the ability of broadcast networks to have an ownership interest in programming broadcast on their network. And most recently, in 2007, FCC modified its media ownership rules and imposed new restrictions on cable and other subscription video operators.

It is important that we understand the current media environment, the reasons for the drastic decrease in independent programming, and the impact government laws and regulations have on the media industry. With this in mind, we request that GAO study the state of programming in the media industry and the factors influencing the programming decisions, including government regulation, across the television, radio, and subscription video (wire-based and satellite) industries. In particular, we would like the study to address the following questions.

1. What are the sources of programming on television, radio, and subscription video services and how have these changed in the past decade?

2. What factors contribute to the current distribution of programming on television, radio, and subscription video services?
3. What impact has ownership consolidation, both horizontal and vertical, had on independently-produced programming and the diversity, genre, and affiliation of programming?
4. To what extent has the Internet provided an outlet for independently-produced programming and to what extent have traditional media companies come to dominate the most widely viewed sites for Internet content?
5. What changes to existing laws and regulations pertaining to the carriage of programming do industry participants and experts think are necessary?

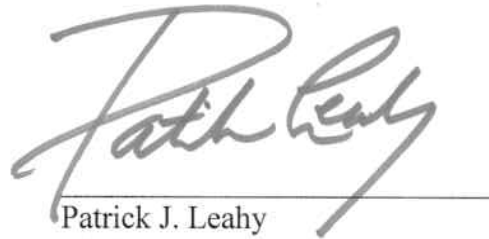
If, in the course of your work, should you identify other relevant issues that you believe the Congress should be aware of, we would like you to include them in your analysis.

Should you have any questions or need any additional information, please contact Frannie Wellings in Senator Dorgan's office at 224-6873.

Sincerely,



Byron L. Dorgan
Chairman
Subcommittee on Interstate Commerce,
Trade and Tourism



Patrick J. Leahy
Chairman
Committee on the Judiciary



Herb Kohl
Chairman
Subcommittee on Antitrust, Competition
Policy and Consumer Rights