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MEDIA PROGRAMMING

Factors Influencing the Availability of Independent Programming in Television and Programming Decisions in Radio

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Highlights

Highlights of GAO-10-369, a report to congressional requesters

Why GAO Did This Study

The media industry plays a vital role in informing and entertaining the public. Media ownership and the availability of diverse programming have been a long-standing concern of Congress. Despite numerous programming choices in television and radio available to the public, some studies have reported that independently produced programming—that is, programming not affiliated with broadcast networks or cable operators—has decreased through the years. This requested report discusses (1) the extent to which the sources of television programming have changed over the last decade, (2) the factors industry stakeholders identified as affecting the availability of independent television programming, and (3) the factors industry stakeholders identified as influencing programming decisions in radio. To address these issues, GAO analyzed data from the Federal Communications Commission (FCC) and industry on sources of broadcast television programming in prime time (weeknights generally from 8:00 p.m. to 11:00 p.m.) and companies owning cable networks, as well as radio format data to determine programming variety. GAO also reviewed legal, agency, and industry documents and interviewed industry stakeholders, public interest groups, and others.

GAO provided FCC with a draft of this report for comment. In response, FCC provided technical comments that we incorporated where appropriate.

View GAO-10-369 or key components.
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What GAO Found

The sources of broadcast and basic cable television programming have changed little in recent years. As a source of programming for prime time television, major broadcasters (ABC, CBS, Fox, and NBC) and their affiliated studios produced the majority of programming in each of the selected years that GAO analyzed. In particular, GAO found major broadcasters produced about 76 to 84 percent of prime time programming hours. The remaining programming came from independent producers, which are not affiliated with the major broadcasters. Since basic cable networks are also a source of television programming, GAO analyzed the ownership of those networks as an indicator of which entities control the television programming. On the basis of GAO analysis of ownership in the 20 most widely distributed basic cable networks, major broadcasters and companies affiliated with both major broadcasters and cable operators have owned half or more of the top 20 cable networks for each year reviewed. Combining ownership in both prime time programming and basic cable networks, the major broadcasters have controlled a significant share of television programming over the last decade.

Stakeholders primarily cited economic factors as influencing the availability of independent television programming. In this regard, producers GAO contacted stated that developing and producing broadcast television programs is costly and financially risky. And while funds need to be secured early on in the development and production process to finance these costs, independent producers stressed that it is difficult to obtain financing for production costs. For cable television (viewed through a subscription video service), representatives of independent cable networks said a new network faces considerable uncertainty as to whether it will be distributed by a sufficient number of video providers (such as Comcast and DirecTV) to make its operations viable. By contrast, cable networks developed by cable operators or major broadcasters are able to negotiate distribution of the network with video providers as part of an agreement for distribution of an established affiliated network.

For radio, stakeholders cited economic factors, local community interests, and consolidation in the radio industry as influences on programming decisions. Among both commercial and public radio stations, stakeholders said that programming decisions are based on listeners' interests in a given market. GAO found that within two of the three largest local markets nationwide, many of the most common local radio formats differ from the most common radio formats nationally, indicating that programming decisions are affected by local community interests. Over the last 10 years there has been consolidation in the radio industry; however, stakeholders' opinions varied about the extent to which consolidation has affected programming decisions. While some studies show that consolidation has led to homogenized radio playlists in different markets nationwide, GAO's analysis shows diverse formats and preferences are reflected within individual local markets.