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Let's Strongly Reject NextGen TV Mandates

by

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In the fast-moving communications space, one of the most troubling things to hear is that there's this amazing new product or service just around the corner — if only the government will mandate certain requirements and outcomes. Such is the case for NextGen TV, aka ATSC 3.0, the new standard for broadcast television. Some broadcasters want the Federal Communications Commission to force consumers, broadcasters, and a host of intertwined companies to convert to NextGen TV as — they assert — one of the only ways to save the shrinking broadcasting industry.

But this is disingenuous: one can support a healthy American broadcasting industry without endorsing the real costs and dubious benefits that will accrue if the FCC goes down this prescriptive path. As an admirer and friend of broadcasting, I suggest that policymakers allow NextGen TV to develop naturally and voluntarily to determine if consumers even want it.

The extensive governmental intervention that would be needed to move NextGen TV forward cannot be understated. First, the FCC would need to declare the old television standard dead at some set date and prohibit its use. Second, the FCC would have to require that every new television set made or sold have a new tuner to receive these magical new broadcast signals.

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Third, over-the-air-only broadcast viewers would be forced to either buy new televisions, some type of converter box or antenna, or lose access to their broadcast programming, including news and emergency weather alerts.

Fourth, even the broadcast industry itself does not agree about moving to this new standard. As a result, many broadcasters that are not enamored by the technology would be forced to incur the costs to replace their relatively new equipment to transmit signals under this standard. And fifth, any entity that carries broadcast stations, like cable or satellite providers, would be obligated to buy new equipment to "down-convert" the signals – thereby undercutting any technological improvements embedded in the new standard – or replace every customer device used to receive video content, which would take years.

Importantly, everyone should know who would ultimately pick up the tab for all these added mandates: American consumers.

Looking at the asserted benefits of NextGen TV provides even more puzzlement. While there likely would be prettier picture quality and improved audio, broadcasters' real hope is that new television mandates will unlock the use of its underlying spectrum for side hustles paid for by consumers. That is, the next great television conversion is really about generating new, non-television revenue streams for broadcasters. Under this thinking, this hodge podge of possible uses, such as sending wireless updates to products, would somehow solidify broadcasters' balance sheets and ensure the future. It's like allowing mailmen to use U.S. postal trucks to deliver Christmas trees. Even if these services materialize, remember that the government would be allowing broadcasters to leverage the spectrum that they use to offer these services for private gain and far afield from providing broadcast services to the public. Is this the best use of a scarce resource?

If all of this seems head-scratching, you are not alone. In the extremely competitive video marketplace, representing the greatest availability and diversity of content ever, we are being told that it is critical to revitalize broadcast television by having the government impose dictates on consumers, equipment manufacturers, distribution platforms, and more. But it's the market that is moving away from the legacy broadcast distribution model. In fact, there's a very good likelihood that even if these edicts were enacted, consumers still wouldn't flock back to over-the-air broadcast television. The reality is that there are plenty of other compelling options.

Moreover, this entire process is completely counter to the deregulatory vision outlined by the Trump Administration for the U.S. video marketplace. In fact, the Administration is supporting the elimination of television ownership restrictions to remove rules that interfere with broadcasters' ability to compete and succeed in the market. So why would the government simultaneously impose extensive new NextGen TV mandates?

No matter how wonderful NextGen TV may or may not be, the market – and not regulators being asked to emulate Soviet-era politicians – should decide whether it succeeds. The blatant

market meddling being requested should cause policymakers to blush. And the dubious benefits to be derived from any government transition would not actually benefit the public but instead the pocketbooks of broadcasters.

Let's hope the Trump Administration says no.

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