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Special Advisory to Broadcasters
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Communications Broadcast Advisory

FCC Issues Digital Audio Broadcasting Rules for AM and FM Broadcasters

On May 31 the Federal Communications Commission (FCC) released an order detailing its new rules for in-band on-channel (IBOC) digital broadcasting by AM and FM radio station licensees. Stations currently providing digital IBOC signals have been operating under interim rules. The new rules impose a relatively light regulatory touch, reflecting the FCC's belief that broadcasters should have broad flexibility to experiment with new service models and to tailor their service offerings to market demands.

The FCC order addresses a number of important operational matters, including the following:

Nighttime operation for AM Stations. Effective immediately, AM stations that have previously notified the FCC of initiation of digital broadcasts for daytime operations are permitted to provide digital services at night without providing any further notice to the FCC.

Extended hybrid mode and dual antenna configurations for FM stations. FM broadcasters are permitted to operate in "extended hybrid mode", enabling datacasting services of up to 50 kbps, and with dual antenna configurations.

Flexible bandwidth policy. Stations are allowed to transmit high quality audio, multiple program streaming, and datacasting services at their discretion. These services may be transmitted in any combination and without prior approval from the FCC. The FCC rejected requests that it impose minimum "signal quality" standards.

Primary digital channel. Each station providing a digital signal must digitally simulcast its analog program stream free over-the-air in comparable or better quality. The FCC did not, however, establish an objective standard (such as a minimum bit rate) for the primary digital channel stream.

Optional implementation on flexible time frame. Stations are permitted to begin IBOC digital broadcasts on the schedule they choose, but are not required to implement IBOC at all under the new rules.

Time brokerage permitted. Stations are allowed to broker or lease digital bandwidth to third parties. Any program streams leased to another local broadcaster will be attributable for purposes of the FCC's local ownership rules.

Low power FM authorized. Low power FM (LPFM) stations are allowed to transmit digitally if they are technically capable of doing so. Any station, including a LPFM station, must notify the FCC before commencing IBOC digital broadcasts.

Programming and operational rules. Stations operating in digital format must comply with all public interest obligations applicable to full-service radio broadcasters. The FCC's order specifically identifies six obligations – political broadcasting, payment disclosure, prohibited contest practices, sponsorship identification, cigarette advertising and broadcast of taped or recorded material – that apply to all free digital audio programming streams. Other operational requirements, including station identification and emergency alert system information, apply to digital audio streams. The FCC did not intend that the listing be exhaustive. However, minimum operating hour requirements do not apply to multicast streams.

The FCC's order defers resolution of some issues, including approval of an all-digital mode in which no analog signal is broadcast and whether or not the FCC should impose content control requirements to prevent listeners from archiving and redistributing music broadcast digitally.

The order includes a Further Notice of Proposed Rulemaking seeking comment on several issues, including possible limits on subscription services offered by radio stations and whether the FCC has authority to impose spectrum fees on the use of digital capacity for ancillary and supplementary services. Comments will be due 60 days after publication of the Further Notice of Proposed Rulemaking in the Federal Register.

This advisory is a brief summary of some of the more significant rule changes adopted in the FCC's 65 page order. For a copy of the Order or for any additional information, please contact:

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