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October 30, 2017

Marlene H. Dortch, Secretary  
Office of the Secretary  
Federal Communications Commission  
445 12th Street, SW  
Washington, DC 20554

**RE: Notice of Ex Parte: Notice of Proposed Rulemaking, *In re Implementation of Section 103 of the STELA Reauthorization Act of 2014, Totality of the Circumstances Test*, MB Docket No. 15-216;  
Public Notice, *Commission Launches Modernization of Media Regulation Initiative*, MB Docket No. 17-105; and  
Public Notice, *Media Bureau Establishes Pleading Cycle for Applications to Transfer Control of Tribune Media Company to Sinclair Broadcast Group, Inc. and Permit-But-Disclose Ex Parte Status for the Proceeding*, MB Docket No. 17-179**

Dear Ms. Dortch:

On Thursday, October 26, 2017, John Nettles, President of Pine Belt Communications (“Pine Belt”), along with Clare Liedquist and the undersigned, as counsel, met with Raelynn Remy, Martha Heller and Steve Broeckaert of the Media Bureau of the Federal Communications Commission (“FCC” or “Commission”).

During the meeting, Mr. Nettles discussed the extreme increases in broadcast retransmission rates and the overall lack of good faith negotiations. Mr. Nettles explained that such unbridled rate increases are a detriment to low income, rural consumers that live in areas where they cannot receive free, over the air reception of the broadcast channels. He provided the attending Media Bureau staff with charts (attached hereto) showing the median family income and percentage of families below the poverty line in Pine Belt’s coverage area and a chart

showing the average costs to Pine Belt's consumers for off air network broadcasts from 2012 to presently proposed 2020 rates.<sup>1</sup>

Mr. Nettles also discussed the inherent disadvantage that rural video operators face when negotiating retransmission agreements and the lack of willingness by some broadcasters to negotiate in good faith. As such, the attendees discussed how the current DMA boundaries and restrictions further impede good faith retransmission negotiations. At the conclusion of the meeting, in order to protect rural consumers from continuous rate increases, Pine Belt proposed that the Commission cap the current retransmission rates that broadcasters impose on independently owned cable companies, which serve less than 250,000 subscribers in predominately rural areas. The annual increase for those rates should not be higher than the annual rate of inflation. Pine Belt also suggested that, if approved, the combined Sinclair-Tribune entity should be barred from increasing its retransmission rates to the same independent cable companies for a period of ten (10) years.

Pursuant to Section 1.1206(b) of the Commission's Rules, we are filing this letter electronically in the above-captioned dockets. Please contact the undersigned if you have any questions.

Respectfully submitted,

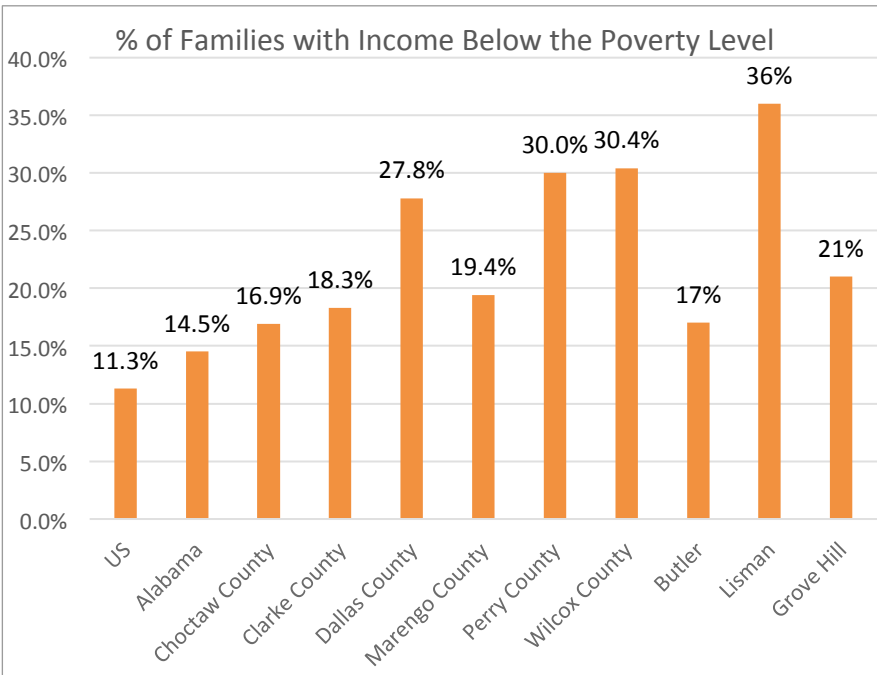
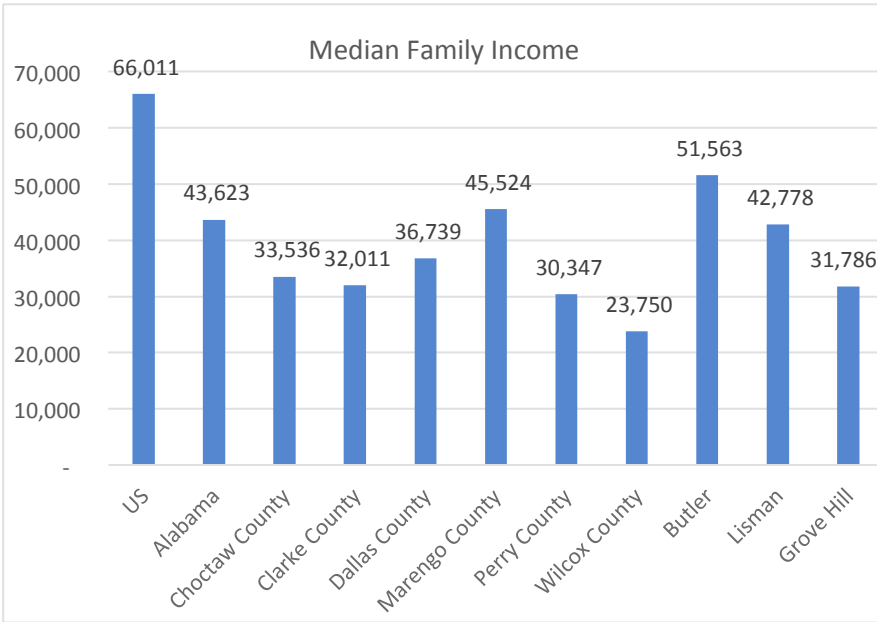


Donald L. Herman, Jr.  
*Counsel for Pine Belt*

cc: Raelynn Remy (via e-mail)  
Martha Heller (via e-mail)  
Steve Broeckaert (via e-mail)

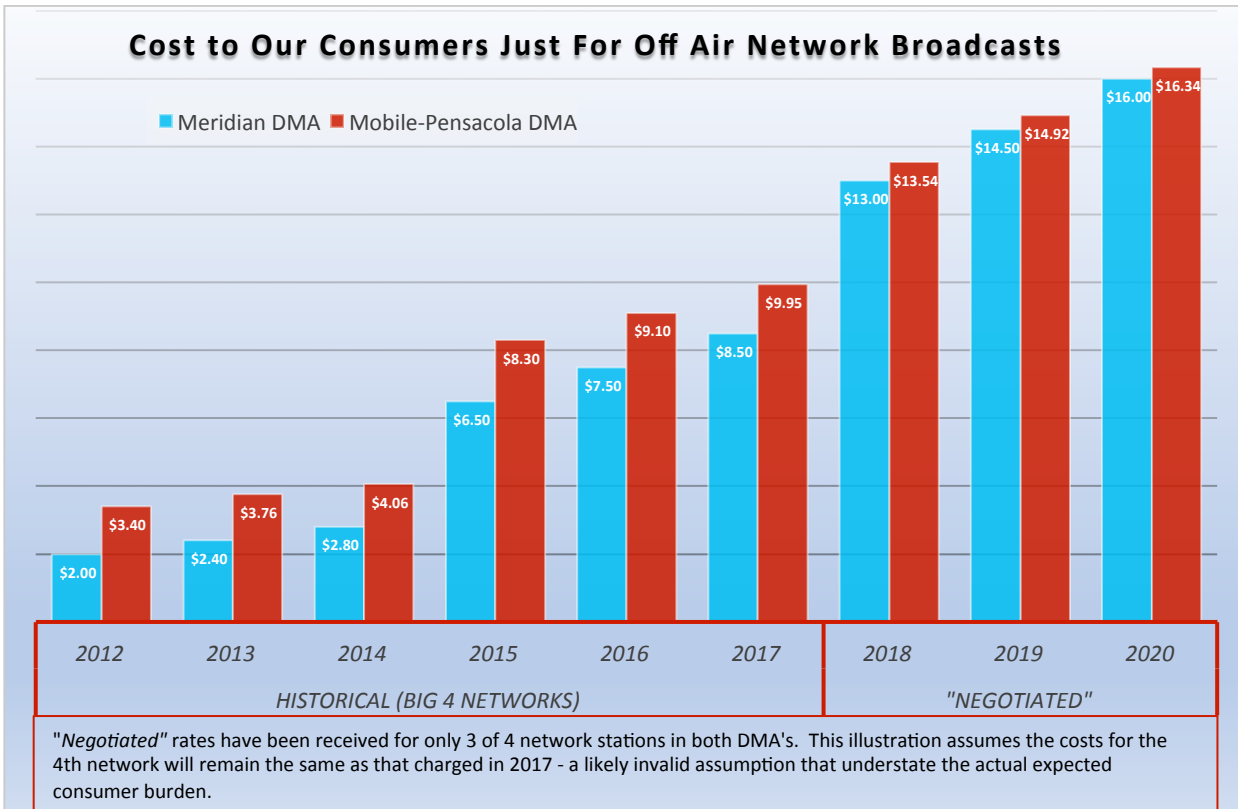
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<sup>1</sup> Please find copies of the charts in Exhibit I included herein.



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<sup>1</sup> Household income and poverty numbers are from the US Census Bureau, 2011-2015 American Community Survey 5-Year Estimates, [www.census.gov](http://www.census.gov) (last visited Oct. 25, 2017).



<sup>2</sup> Rates are the average sum of retransmission costs accrued by Pine Belt for the big four networks that are passed on to Pine Belt's customers.