



Shooting Star
Broadcasting

May 18, 2018

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

Re: FCC Incubator Proposal, MB Docket No. 17-289

Dear Ms. Dortch:

As a female with an extensive career in the broadcasting industry, I support the FCC's interest in increasing diversity among radio and television broadcast owners. Based on my experiences as a broadcast executive, station owner and now a broadcasting consultant, I can also appreciate the challenges that new broadcasters face when trying to break into the industry, chief among them, access to capital.

Before starting my own broadcast company, I worked my way up the ladder from newsroom producer to general manager of two radio stations in Pittsburgh, PA, to Executive Vice President of Operations for Radio/TV, to the President of the Television Division for Shamrock Holdings, Inc., where I oversaw the operations of several network affiliate TV stations. My time as a broadcast executive at Shamrock taught me a lot about the daily operations of managing a station group, but as I ultimately discovered, not close to what is needed to navigate the challenges of doing a broadcast deal. It was not until I played an integral role in Shamrock's acquisition of another broadcast company that I was able to learn about the complexities of the capital structure in a deal and the relationships necessary to complete the acquisition of broadcast properties.

Most importantly, I learned that transitioning from a broadcasting manager to broadcast owner is complex, especially given the limited options for financing the purchase of one's first station. Fortunately for me, I was in the unique position of having the experience of doing broadcast deals on behalf of Shamrock, where I was able to develop a broad network of professionals that helped me put together my first deal. Finally, going through Shamrock's station acquisitions and eventual sale of the company were critical to helping me understand how deals are put together, something that is almost impossible to learn as a general manager or senior broadcast executive. Without these resources, relationships and experience, it is highly unlikely that I ever would have been become a station owner.

Moreover, having made the jump to station owner I realized that other potential station owners probably faced many of the same challenges and could benefit from my experience. Therefore, I created the Broadcast Leadership Training (BLT) Program, in coordination with the National Association of Broadcasters Education Foundation (NABEF). The BLT program is a

10-month Executive-MBA style program intended to help talented senior level broadcast executives who aspire to advance as group executives or station owners – particularly women and people of color – to be exposed to the fundamentals of purchasing, owning, and running a successful operation of radio and television stations. The program is now completed its 18th year. To date, there are over 300 graduates, more than 50 of whom own or have owned broadcast stations.

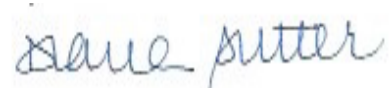
Based on countless conversations I have had with BLT graduates, access to capital remains the primary barrier to entry for new station owners. The two main challenges that prospective owners face are (1) finding access to capital, both equity and debt, for smaller transactions, and (2) locating and purchasing a station with the positive cash flow needed to reassure the bank that they will recoup their loan since broadcast lending is not based on the value of tangible assets.

The size of a deal is extremely important to most banks. Many entrants are limited to purchasing smaller broadcast stations, given their resources; however, banks often consider it not worth the potential risk to finance smaller deals for a new owner. For example, it typically costs a bank the same amount of money for legal fees, a Uniform Commercial Code (UCC) search, site surveys, and other necessary due diligence, regardless of the size of a deal. From my experience, banks are more interested in larger or multiple transactions, with less risk. In fact, it is much harder to obtain financing to purchase a station for \$2 million than a station for \$20 million. Banks are also often less inclined to take a chance on a first-time station owner and broadcast properties offer little tangible collateral.

Based on my ongoing experience in the broadcasting industry and helping others enter ownership, it is vitally important that the FCC develop an incubator program and consider other ways to create opportunities for new entrants, minorities and women to enter into station ownership.

If you have any further questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink that reads "Diane Sutter". The signature is written in a cursive, flowing style.

Diane Sutter
President/CEO
ShootingStar Inc.