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June 22, 2016

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: *Ex parte* Presentations in MB Docket No. 15-216

Dear Ms. Dortch:

On June 20-22, 2016, representatives of Graham Media Group, Inc. ("Graham") met with several Commissioners' offices and other Commission staff to share Graham's perspective on retransmission consent negotiations under the Commission's existing good faith rules and to emphasize the importance of resisting calls by some pay-TV interests for one-sided changes to those rules designed to unjustifiably increase MVPDs' negotiating leverage over local broadcasters.

On June 20, 2016, Graham President and CEO Emily L. Barr, Vice President and General Counsel Heidi Schmid Whiting, and Jennifer Johnson of Covington & Burling LLP met with Marc A. Paul, legal advisor to Commissioner Rosenworcel. Also on June 20, Ms. Barr, Ms. Whiting, and Michael Beder of Covington met with Jessica Almond, legal advisor for media, public safety, and enforcement to Chairman Wheeler. On June 21, 2016, Ms. Whiting and Ms. Johnson met with Matthew Berry, chief of staff, and John Butler, law clerk, of Commissioner Pai's office. Also on June 21, Ms. Barr, Ms. Whiting, and Ms. Johnson met with William T. Lake, chief of the Media Bureau; Martha Heller, chief of the Media Bureau's Policy Division; Steven Broeckaert, Policy Division Senior Deputy Division Chief; and Diana Sokolow of the Policy Division. Finally, on June 22, 2016, Ms. Whiting and Mr. Beder met with Commissioner O'Rielly and Robin Colwell, chief of staff and senior legal advisor to Commissioner O'Rielly.

In each meeting, Graham explained that it is dedicated to ensuring that each of its five television stations reaches as many viewers as possible. To that end, Graham works hard to reach fair retransmission consent agreements with MVPDs while avoiding any disruption to viewers, and Graham's efforts have been successful: No Graham station has ever reached a retransmission consent impasse with an MVPD. Achieving that result has not always been easy, particularly in negotiations with some of the largest MVPDs. Although the vast majority of Graham's negotiations have proceeded smoothly, where issues have arisen they have typically resulted from large MVPDs' delay tactics. Notably, the only occasions on which a Graham station has come close to a disruption in service have been due to an extended lack of

responsiveness on the part of large MVPDs. The Commission's existing good faith rules already recognize that such a lack of responsiveness is inconsistent with the obligation to negotiate in good faith.

Graham's experience illustrates why the Commission should reject the one-sided proposals by certain MVPDs for changes to the good faith negotiation rules, which do not address the key factors that actually contribute to the rare instances in which negotiations reach an impasse. For instance, some MVPDs have urged the Commission to require stations to enter into binding arbitration under certain circumstances. But even if the Commission had authority to impose such a requirement on broadcast stations — which it does not — arbitration is prohibitively expensive even for mid-size station groups like Graham, and an arbitration requirement would simply make the negotiation process more cumbersome and protracted, rather than helping the parties reach agreement more quickly through the good faith negotiations already required by the Commission's rules. Similarly, in Graham's meeting with Commissioner Pai's office, Graham explained that although some MVPDs have urged the Commission to restrict after-acquired stations provisions, in Graham's experience these provisions are carefully negotiated and typically treat both parties the same, with parallel provisions for after-acquired stations and after-acquired systems, so that both parties bear the same risk while assuring continuity of service to viewers in the event that a station or system changes ownership.

Finally, Graham explained in each meeting that, although pay-TV interests object to the rates broadcast stations seek for their highly valuable content, in Graham's experience retransmission consent fees rarely pose the most difficult issue in the negotiations. Rather, the most difficult issues to resolve often have involved MVPDs' demands that stations grant alternative distribution rights, or broad "most-favored-nations" provisions with respect to such rights, that would require the station to grant or promise to grant the MVPD rights the station does not have and may not feasibly be able to obtain.

Please direct any questions to the undersigned.

Sincerely,

/s/

Jennifer A. Johnson
Michael Beder
Counsel to Graham Media Group, Inc.

cc: Commissioner Michael O'Rielly
Ms. Jessica Almond
Mr. Matthew Berry
Ms. Robin Colwell
Mr. Marc A. Paul
Mr. William T. Lake
Ms. Martha Heller

Mr. Steven Broeckaert
Ms. Diana Sokolow