



ZIMMER RADIO & MARKETING GROUP
WE'RE IN BUSINESS TO HELP YOUR BUSINESS GROW

August 1, 2019

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

Re: Notice of *Ex Parte* Communication, MB Docket No. 18-349

Dear Ms. Dortch,

I am the President of Zimmer Radio of Mid-Missouri, Inc., licensee of ten radio stations in mid-Missouri. Zimmer prides itself on its commitment to serving local communities with high-quality content, including local news, information and emergency reporting. In May of this year, tornados devastated areas of Missouri served by our stations. All of our stations immediately stopped normal operations and worked together to keep our communities informed. Over the course of 10 hours, we provided wall-to-wall coverage, airing minute-by-minute storm tracking updates, including fielding calls from listeners who provided historical information about the storm to help warn those in the surrounding areas. We also carried several live press conferences from the police, Governor Mike Parson and emergency personnel, and the Governor called us to speak directly to our listeners. After the storms passed, we continued to provide two-to-three-minute updates, twice per hour, from our news department for the remainder of the day.

Having a cluster of stations in mid-Missouri allowed us to reach more people and provide better service to our listeners and communities during the tornadoes. Our stations believe in the importance of broadcast radio and in the future of the industry, but we must be allowed to achieve greater economies of scale to survive in a market with an increasing number of competitors for both listeners and advertisers. That is why Zimmer supports the NAB Proposal to modernize the Commission's local radio ownership rules.¹

My dad bought his first radio station in 1956, and my family has been in the business ever since. In the past 63 years, we have seen tremendous shifts in the media marketplace. After the local radio ownership rule was revised in 1996, Zimmer invested in new station clusters in Joplin, MO and Carbondale, IL. In each market, we eliminated redundant programming to increase program diversity. In Carbondale, by combining the operations of six standalone stations, we were able to hire new staff and improve local news on each of the stations.

¹ See *2018 Quadrennial Regulatory Review*, Notice of Proposed Rulemaking, MB Docket No. 18-349, FCC 18-179, at ¶ 13 (Dec. 13, 2018) (citing Letter from Rick Kaplan, *et al.*, Legal and Regulatory Affairs, NAB, to Michelle Carey, Chief, Media Bureau, FCC (June 15, 2018)).





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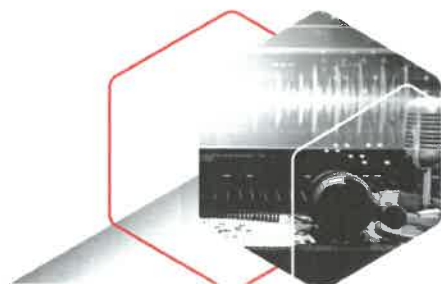
These changes allowed us to better compete with newspapers and television. Now the world has changed again, and we need to be able to change with it.

From just 2014 to 2018, our stations lost roughly 40 percent of their national and regional advertising revenue, dropping from \$2.89 million in 2014 to \$1.74 million in 2018. Automobile advertising, specifically, has decreased from representing 20 percent of our stations' revenues to representing around 5 percent of our revenues. Although we have had more success maintaining other advertising dollars, we are still struggling to compete against platforms that can offer companies more specific metrics by which they can estimate the success of their advertisements.

Just last year, a local bank, and longtime advertiser on our stations, told our marketing director that the bank would no longer buy any local media that is not data driven. This advertiser moved all its advertising to platforms like Google and Facebook. As a result, the only advertiser of loans in our markets at the time was Quicken Loans, which came into the market through syndicated programming, so our stations did not receive any of that revenue. We have always taken a needs-based approach to client problems and tried to provide a solution, but we are limited in our ability to compete on metrics when our only metric is to ask the advertiser whether it experienced growth after advertising on our stations.

When station revenues decline, the biggest impact falls on staffing. Zimmer is committed to retaining jobs, but that is a growing challenge. We do everything we can to avoid laying off employees, which would impact our ability to serve our communities. That means, however, that we have to cut back on employee hours, decrease our profitability, or try to create new initiatives, which may come with high start-up costs and long lead times.

Under the Commission's current rules, Zimmer can invest in other types of content, but we are prohibited from investing more in radio, our core competency. Two years ago, Zimmer bought a struggling local magazine company with three publications. The purchase may not have made the most financial sense, but we believed in the content the magazines provided to our communities, and we wanted to see them continue to operate. By purchasing the company, we created synergies between our broadcast stations and the magazines that allowed us to preserve the magazine operation. And in May of this year, we launched a new digital advertising company that we hope will allow us to tap into a new customer base that may never advertise on radio but needs help developing their marketing strategies. While we will continue to look for creative ways to serve our communities and expand our potential revenue base, we want to be able to invest more in radio broadcasting. That is the business we know best, and it is a business we believe in.





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My fear is that just as the internet devastated the newspaper industry, the smart phone will do the same thing to broadcast radio. If the Commission's rules allowed us to invest in more stations, we could try to create a model like that of satellite radio on a local scale. I believe in my heart and head that this would allow radio operators to bring more local news and more program diversity to their communities. In the end, that could lead to a better business model and increased sustainability for radio operators.

Zimmer is proud to serve our communities, and we hope to continue doing so well into the future. We urge the Commission to act quickly to modernize its local radio ownership rule to allow us to do just that.

Sincerely,

John P. Zimmer
President

