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BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
	)	
Review of the Commission's Regulations	)	
Governing Television Broadcasting	)	MM Docket No. 91-221
	)	
Television Satellite Stations	)	
Review of Policy and Rules	)	MM Docket No. 87-7

TO: The Commission

COMMENTS OF LIN TELEVISION CORPORATION

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SUMMARY

LIN Television Corporation ("LIN") hereby shares with the Commission its first-hand experience of how local marketing agreements ("LMAs") enhance diversity and competition in the local broadcast market. LIN operates LMAs in five different markets. In each case, the LMA has converted a dark or fledgling UHF station into a vigorous new source of programming and local service for the public.

These turn-arounds are accomplished through the creation of economies of scale that permit otherwise uneconomical stations to minimize traffic, accounting and other back-office administrative costs and devote more resources toward programming and facility upgrades. LMAs also help increase the aggregate inventory of television advertising spots and programming in their markets, which in turn enhances competition.

LIN's LMAs have promoted the public interest by:

- converting stations that would otherwise be dark into viable channels and stations which would otherwise be marginal competitive presences into full-service stations;
- opening up additional outlets for local and targeted syndicated programming, including news, sports, public affairs, and public service announcements, at a time when network affiliates are under increasing pressure to clear network telecasts;
- televising numerous hours of children's programming;
- providing outlets to nascent national television networks who would otherwise be shut out entirely or restricted to spavined facilities in LIN's markets;
- enhancing the broadcast industry's competitiveness with cable, DBS and other multichannel video programmers;

- supporting the local economy through the creation or preservation of approximately 165 jobs and the payment of more than $6.5 million in compensation and $2.0 million in payroll taxes;
- providing news and public affairs programming targeted at smaller, underserved communities in a multi-city DMA; and
- substantially increasing the amount of local television advertising inventory.

The benefits of LMAs should be taken into consideration as the Commission re-evaluates its local ownership policies. Indeed, LIN's experience shows that LMAs, and deregulation of the local marketplace, foster diversity and competition and create the potential for many kinds of creative new programming ventures. Without these types of synergies, the over-the-air broadcast market would be less robust and more apt to lose market share to cable, DBS and other multichannel video program providers. For these reasons, LIN respectfully requests that the Commission continue to permit LMAs and deregulate the local broadcast market.

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COMMENTS OF LIN TELEVISION CORPORATION

LIN Television Corporation ("LIN") hereby submits these comments in the above-referenced proceedings to share with the Commission its first-hand account of how local marketing agreements ("LMAs") enhance the breadth and quality of local broadcasting and thus serve the public interest. As detailed more fully below, LIN operates LMAs in five very diverse broadcasting markets. Without exception, each LMA has enabled a failing, unbuilt or otherwise underutilized station to provide high-quality service to the public.

Based on this real-world experience, it is LIN's informed belief that the public interest would be best served by substantially deregulating the local broadcast marketplace. Indeed, without this type of relief, disadvantaged stations might not otherwise be able to operate, and the diversity and competition in the marketplace would suffer.[1/]

[1/] LIN is a member of and subscribes to the specific deregulatory measures espoused by the Local Station Ownership (continued...)

I. INTRODUCTION AND BACKGROUND

LIN presently owns and/or operates full-power television stations in nine different Nielsen Designated Market Areas ("DMAs").[2/] In five of these DMAs, it has entered into an LMA with an economically disadvantaged UHF station. As detailed more fully below, each of these LMAs has transformed a failing, unbuilt or otherwise underutilized UHF station into a vigorous new source of programming and local service for the public. Specifically, the LMAs enable disadvantaged stations to minimize traffic, accounting and other back-office administrative costs and devote more resources toward programming and facility upgrades. Without these economies of scale and other benefits, the disadvantaged stations would not have the economic strength to create distinct voices in their local communities. Nor would they be able to help increase the aggregate inventory of television

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[1/](...continued)
Coalition, which has previously filed comments in this proceeding and which is filing comments contemporaneously with these comments.

[2/] Stations licensed to LIN Television include WISH-TV, Channel 8 in Indianapolis, Indiana; WIVB-TV, Channel 4, in Buffalo, New York; WAND, Channel 17, in Decatur, Illinois; WANE-TV, Channel 15, in Fort Wayne, Indiana; WTNH-TV, Channel 8 in New Haven, Connecticut; KXAS-TV, Channel 5, in Ft. Worth, Texas; WAVY-TV, Channel 10, in Portsmouth, Virginia; and KXAN-TV, Channel 36, in Austin, Texas. LIN has LMAs with stations in the latter four markets. In addition, LIN has a management agreement with a sister company, LIN Broadcasting Corporation, by which it manages WOOD-TV in Grand Rapids, Michigan, and an LMA in the same market.

advertising spots and programming in their markets, which in turn enhances competition.

LIN entered its first LMA in 1991 in the Grand Rapids-Kalamazoo-Battle Creek, Michigan, market (the 38th ranked DMA). It established four other similar agreements in 1994 in the Austin, Texas, market (the 64th ranked DMA), the Hartford-New Haven, Connecticut, market (the 26th ranked DMA), the Dallas-Ft. Worth, Texas, market (the 8th ranked DMA), and the Norfolk-Portsmouth-Newport News, Virginia, market (the 40th ranked DMA).

The viewing audience, local community, broadcast industry, and public interest have overwhelmingly benefitted from these LMAs. LIN's LMAs have promoted the public interest by:

- converting stations that would otherwise be dark into viable channels and stations which would otherwise be marginal competitive presences into full-service stations;
- opening up additional outlets for local and targeted syndicated programming, including news, sports, public affairs, and public service announcements, at a time when network affiliates are under increasing pressure to clear network telecasts;
- televising numerous hours of children's programming;
- providing outlets to nascent national television networks who would otherwise be shut out entirely or restricted to spavined facilities in LIN's markets;
- enhancing the broadcast industry's competitiveness with cable, DBS and other multichannel video programmers;
- supporting the local economy through the creation or preservation of approximately 165 jobs and the

payment of more than $6.5 million in compensation and $2.0 million in payroll taxes;

- providing news and public affairs programming targeted at smaller, underserved communities in a multi-city DMA; and
- substantially increasing the amount of local television advertising inventory.

II. LIN'S FIRST-HAND EXPERIENCE DEMONSTRATES THAT LMA STATION OPERATIONS CAN INCREASE COMPETITION AND DIVERSITY IN LOCAL TELEVISION MARKETS.

As the Commission re-evaluates its local television ownership policies, it should take into consideration the real-world benefits and efficiencies demonstrated by existing LMAs. It is for this reason that LIN shares its story of how LMAs have enriched five very distinct local television communities. Although their facts and circumstances vary, each market indisputably demonstrates that permitting LMAs, and adopting corresponding relaxations of the duopoly policy, will strengthen local broadcasting, enhance competition and diversity, and serve the public interest.

A. Grand Rapids-Kalamazoo-Battle Creek, Michigan

LIN's experience makes it apparent that LMAs are an effective means of rehabilitating economically disadvantaged stations. Although this is evident in all five markets in which LIN has LMAs, none exemplifies this better than the Grand Rapids-Kalamazoo-Battle Creek, Michigan, market (the 38th ranked DMA) (the "Grand Rapids Market").

LIN has operated VHF station WOOD-TV (Ch. 8 NBC) in the Grand Rapids Market since 1983. In October 1991, it

entered into an LMA with WOTV (Ch. 41 ABC).[3/] Prior to the LMA, WOTV had sustained multi-million dollar financial losses in the nineteen years since it signed on the air in 1971. This resulted, in part, from its inability to obtain programming, particularly as a UHF station during the mid-1970s when there were only three television networks. Although WOTV obtained an ABC affiliation, its market potential was dwarfed by a VHF ABC station licensed to Grand Rapids, whose coverage area substantially overlapped with that of WOTV.[4/] WOTV's financial situation eventually became so desperate that it had to discontinue its entire local news service.

In spite of this troubled past, WOTV has evolved into a station with a meaningful local presence. Moreover, solely as a result of the fact that many back-office operations are provided by WOOD-TV pursuant to the LMA with LIN, WOTV is now profitable though it would still not be viable as a stand-alone station. The LMA has enabled WOTV to attain the necessary resources to computerize its newsroom and acquire news trucks and other essential ENG equipment. These facilities are now used to provide daily newscasts -- at both

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[3/] WOOD-TV was formerly licensed under the call sign WOTV, and WOTV was formerly licensed as WUHQ.

[4/] The overlapping ABC affiliate station WZZM-TV in Grand Rapids (Ch. 13) had certain tower restrictions and thus could not provide coverage to Kalamazoo or Battle Creek. This enabled WOTV to obtain the ABC affiliation in the first place but also provided the station with a permanent competitive handicap.

6:00 pm and 11:00 pm -- targeted specifically at the smaller communities, Battle Creek and Kalamazoo, which are underserved by the stations licensed to Grand Rapids. WOTV also produces early morning news segments for insertion in other programs.

In addition to bolstering local news, the LMA has expanded WOTV's children's educational programming and other public service activities. WOTV is now collaborating with ABC in the production of its "Children's First" programs. WOTV's contributions include producing quarterly 30 minute local programming segments and coordinating with local organizations and schools in making ABC programming information available to educators.

With respect to public service, since entering into the LMA, WOTV has produced and aired its own programs, including the Drug and Alcohol Abuse Special, the Family Violence Special, and the Joint Cooperation Special. It also has offered public service announcements to various groups, including a recreational center for disadvantaged children, and served as the coordinator and official television station for the March of Dimes "Walk America". To complement this wide array of public service programming, WOTV's personnel have participated in numerous community activities and local classroom programs, in addition to providing station tours and education seminars to scouts, 4-H clubs and school groups.

The two stations are programmed independently. By adding new valuable advertising inventory, WOTV has made both

the local spot and national spot markets substantially more competitive.[5/]

Finally, not only has the LMA enhanced the quality of programming, but it has enabled WOTV to upgrade its facilities. Specifically, since entering into the LMA, WOTV has obtained a new transmitter and antenna, implemented stereo sound, and increased its power. All of this in turn has improved the quality and reception of its signal, thus making it more attractive to viewers.

Even today, WOTV, while finally profitable, cannot match the profit margins of most other stations or, for that matter, industry averages. But, for so long as it can be operated in tandem with WOOD-TV, it will remain a vital and unique local outlet.

B. Hartford-New Haven, Connecticut

LIN's experience in the Hartford-New Haven market (the 26th ranked DMA) also illustrates how LMAs can transform otherwise fallow spectrum into a robust local outlet. In the Hartford-New Haven market, LIN owns and operates VHF station WTNH-TV (Ch. 8 ABC). In 1994, it entered into an LMA with the permittee of UHF station WBNE-TV (Ch. 59 WB).[6/]

[5/] One of the hypothetical overhead efficiencies, combined sales forces, has not proven out in LIN's experience, either at WOTV or at any of the other LIN LMAs. LIN has found that because of the significant differences in the value of the spots on WOOD-TV and WOTV, it is far more efficient to maintain separate sales forces expert in selling the very different "products" being sold by the two stations.

[6/] This station was licensed as WTVU-TV until recently.

WBNE's construction permit was granted in 1954. After what was surely one of the longest gestation periods in FCC history, WBNE's initial facility was finally constructed in April 1995. This nearly forty-one year lag resulted from WBNE's financial problems as well as its inability to obtain a lease for the only suitable transmission site in the area. Not surprisingly, as the impasse over the site lease continued, WBNE's financial difficulties mounted and it could not obtain funding from traditional outside sources.

Through the LMA with LIN, WBNE obtained the means necessary to construct the station while reducing its projected capital costs and operating expenses by utilizing WTNH's tower and by combining certain overhead and administrative functions, such as traffic, billing and accounting systems, with WTNH. These budgetary savings in turn have enabled WBNE to become a potentially viable venture in the not-too-distant future.

As a result of the LMA, WBNE is now operating at maximum height and power, offering service to nearly 2.3 million people. It is an affiliate of the fledgling WB Network (which had no other outlet in the market) and broadcasts an array of local sporting events, including Hartford Whalers hockey, Boston Red Sox baseball, Big East Conference college basketball, American East college basketball, and New Haven Ravens minor league professional baseball games.

WBNE also has expanded the amount of political, educational and public affairs programming in the market. This last election, WBNE offered free airtime to federal congressional candidates in a series of eight 30 minute shows, an offer accepted by more than half of the 22 eligible candidates. WBNE also recently launched a show featuring current events in the African American community, airing twice a week in thirty minute segments. In addition, WBNE broadcasts educational programming such as Captain Planet, which airs each weekday, and Wild About Animals.

Finally, although WBNE and WTNH share certain overhead and administrative costs, this has not in any way compromised the diversity of service to the public or competition in the local television marketplace. Indeed, the two stations have separate network affiliations and only a 3 to 5 percent duplication of programming. And, as in Grand Rapids, the two stations have wholly independent sales forces who compete vigorously for local and national business. In sum, the LMA not only has made WBNE economically viable, but has channeled its resources primarily toward programming. This in turn adds to rather than subtracts from the diversity and competition in the local marketplace.

C. **Dallas-Ft. Worth, Texas**

Apart from helping financially troubled stations and expanding local programming, LMAs can better position the broadcast industry as a whole to compete with cable, DBS and other multichannel video programmers. In no market is this more apparent than Dallas-Ft. Worth, Texas (the 8th ranked DMA), where the turn-around of a failing independent station -- made possible through an LMA -- has contributed to growth in the local broadcast market and one of the lowest cable penetration rates in the country.

The Dallas-Ft. Worth market has twelve full-power commercial television stations, one of the most highly served and competitive markets in the country. Operated as an independent station, KXTX (Ch. 39) was caught in a vicious spiral of rising programming costs and declining advertising revenues. By 1994, KXTX's debt had made it impossible for the station to be a full-service station, with its entire local news effort dwindling to only three or four one-minute news breaks each weekday.

To avoid bankruptcy, KXTX entered into an LMA with LIN, the owner and operator of VHF station KXAS (Ch. 5 NBC) in the same market. LIN assisted KXTX in its recovery by negotiating restructured programming agreements and significantly upgrading KXTX's technical facilities.[7/]

[7/] Specifically, its studio and office facilities have been completely refurbished, and its signal strength increased by 8.6%.

Since entering the LMA, KXTX has expanded local news with time-shifted rebroadcasts both of KXAS's daily news programs and other locally produced news specials.[8/] It also has the flexibility to undertake other local program initiatives such as providing continuous prime time coverage of election results during non-presidential election years.

Moreover, the LMA operation has made it possible for both KXTX and KXAS to obtain programming neither could otherwise have obtained. In 1996, LIN entered into a five-year agreement with the Texas Rangers granting LIN all the local telecast rights, broadcast and cable, for the team's major league baseball games. KXTX carried 123 Texas Ranger games in 1996, while LIN's NBC affiliate station KXAS aired another 15 -- a free broadcast total unmatched in <u>any</u> local television market, except markets such as Chicago and Atlanta where the local broadcast stations are also cable superstations.[9/] For the next four years, a minimum of 90 games will be broadcast on free over-the-air television in the Dallas market, 15 games on KXAS and 75 on KXTX, with the 60 or

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[8/] KXTX also intends to rebroadcast KXAS's upcoming community service program designed to help junior and senior high school students understand the value their education can bring to certain careers. The series is being produced by area students and will air without commercials. Even with these rebroadcasts, there is still only an approximate 10% weekly program duplication between the stations.

[9/] The remaining games were the subject of exclusive national network agreements.

so remaining local games carried on a cable regional sports network.

Without the ability to offer a significant number of high-profile games on the VHF station, KXTX could not have obtained the Rangers' rights. Alternatively, as a large market NBC affiliate with an increasingly limited ability to preempt the network, KXAS could not have obtained any local Rangers' rights without the ability to carry in excess of 100 games on KXTX. Together, the two stations could put together a package which bested the competitive bid of a local regional cable sports channel and made it possible to later enter into a cable deal which assures a primary role in local sports rights for free broadcasting for at least the next several years.

As the Rangers' negotiations exemplify, strengthening weak local stations not only increases competition among broadcast stations, it clearly enhances the competitiveness of broadcasting as a medium in its competition against multichannel competitors such as cable and DBS. The presence of 138 Rangers' games on local television undoubtedly reduced the number of viewers who felt the need to subscribe to cable and/or DBS.

The now fabled O.J. Simpson criminal trial provides an even more dramatic, albeit McLuhanesque, example of the increasingly intermodal nature of competition in the local television marketplace. In most markets in the country, live

coverage of the O.J. trial was limited to cable for the simple reason that there were not enough local television stations without network or syndicated programming commitments to provide outlets. And O.J. viewing was credited with an astounding 45% of cable television's ratings growth.[10/]

But in Dallas, the O.J. trial was live over-the-air on KXTX, with local legal commentary, bringing the station some of its highest ratings and, in the process, helping to maintain Dallas, at 50% cable penetration, as one of the lowest cable penetrated large markets in the country.[11/] And every other broadcast station in the Dallas market benefitted and continues to benefit from KXTX's increasingly powerful programming lineup - for broadcasters lose roughly half the total day viewing for every household which hooks up to cable or DBS.[12/]

Finally, an LMA can provide continuity to the public when one of the stations has an interruption in service. This proved to be invaluable in May 1995 when KXAS's transmissions

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[10/] By some estimates, coverage of the O.J. Simpson trial accounted for as much as 45% of cable television's daytime ratings increase and 20% of its prime time ratings growth (Advertising Age, Nov. 27, 1995, p. 26). On a national level, coverage of the trial has been credited for roughly a 2% gain in the cable industry's overall subscriber penetration rate (Broadcasting & Cable, Apr. 10, 1995, p. 8).

[11/] Broadcasting & Cable Yearbook 1996, p. D-77. This figure is from November 1995 by Nielsen Media Research. November 1996 estimates by Nielsen place the cable penetration rate in Dallas-Fort Worth at approximately 52%.

[12/] Broadcasting and Cable, Jan. 8, 1996, p. 36.

temporarily ceased during a severe hail storm and weather emergency. Anticipating the interruption, KXAS's viewers were directed to tune to KXTX for a simulcast of the emergency coverage.[13/]

D. Norfolk-Portsmouth, Virginia

The Norfolk-Portsmouth, Virginia, market (the 40th ranked DMA) provides further evidence that LMAs can significantly enhance the quality and breadth of local news and community-oriented programming, while also providing additional competition for network affiliations. LIN has owned and operated VHF station WAVY (Ch. 10 NBC) in this market since 1969 and entered into an LMA with WVBT (Ch. 43, WB) in 1994. Prior to entering the LMA, WVBT offered home-shopping service with virtually no local programming. Due to its very low power level, WVBT's potential audience was limited to approximately 700,000 viewers.

As in other markets, the LMA helped to convert this underutilized station into a strong local outlet. Indeed, WVBT replaced its home shopping format with the first WB affiliation in the market.[14/] It also upgraded its facilities and increased its power, thus expanding its

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[13/] Similarly, KXTX's tower collapsed in October 1996, while a work crew was attempting to increase its height. The station resumed service within 48 hours because it could relocate to KXAS's nearby tower.

[14/] Since WVBT has its own network affiliation, it duplicates no more than 3% of WAVY's programming on a weekly basis.

potential audience reach to 1.664 million homes.[15] In fact, largely through the strength of its upgraded technical facility and its commitment to initiate a full slate of local newscasts, WVBT obtained an affiliation with the Fox Network, which will take effect in September 1998.

In addition to expanding local news, WVBT has enabled LIN to create innovative community-oriented programming. For instance, WAVY and WVBT have collaborated to provide a high school football sports wrap-up show that airs 30 minutes each Friday during the football season. Both stations air the first 5 minutes of the programs at the conclusion of the 11:00 p.m. newscast. When WAVY turns back to NBC late night programming at 11:35 p.m., the remainder of the program is broadcast on WVBT. Again, a full commitment to such highly valued local programming is simply not possible on an affiliate of a major network.

LIN also has produced the political show Newsbreakers for broadcast on WVBT. This prime time program consisted of four original 30 minute shows featuring Virginia and North Carolina candidates for the U.S. House and Senate.[16] Additionally, WVBT televises other public service programs, including the United Negro College Fund Telethon;

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[15] More specifically, the upgrades included a new transmitter, tower, automation equipment, master control, sales office and two new antennas -- an original and a stand-by.

[16] The airtime in this program was provided to the candidates without charge.

quarterly specials featuring prominent African Americans; a locally produced weekly public affairs show; rebroadcasts of some of WAVY's children's programming; public service announcements; local college basketball and football games; and religious programming and music videos.

E. Austin, Texas

The Austin, Texas, market (the 64th ranked DMA) shows how LMAs can help balance competition among broadcasters within the same market, in addition to providing outlets for new television networks in smaller, but channel-constrained markets. The Austin market has four UHF stations and only one VHF station, the latter having been licensed originally to the family of President Lyndon Johnson, and long the dominant station in that market.

Despite the inherent disadvantages of Austin's UHF stations, LIN acquired station KXAN (Ch. 36 NBC) in 1979 and entered into an LMA with station KNVA (Ch. 54 WB), approximately 25 years later. KNVA had not been built, primarily due to its lack of funding, despite the fact that one of its owners was an experienced local news anchor. With only four existing television stations in the market, this not only foreclosed opportunities for new television networks, but limited the overall diversity of the marketplace.

As in other markets, the LMA enabled KNVA to become operational with a first-class physical facility, thereby enhancing the competitiveness and diversity of the

marketplace. KNVA became a WB affiliate and provided an outlet for numerous other programs which otherwise would have been available only on cable, including Texas Rangers and San Antonio Spurs games. Additionally, KNVA initiated weekday newscasts and the only over-the-air Spanish language community affairs show in the market.[17/] Equally as important, it also broadcasts Kids Ideas, a locally produced children's talk show featuring Chelsea Hernandez, the 12 year old hispanic female host. It also provided 3 hours of free political programming. The LMA also enhanced competition by increasing the number of advertising spots in the market by approximately 45% during prime time and 25% overall.

III. LMA STATION OPERATIONS ARE IN THE PUBLIC INTEREST.

LIN has invested approximately $130 million dollars in the five LMAs described above, about $50 million in technical facilities alone and approximately $25 million in programming rights. LIN is also obligated to over $50 million in future programming rights and other operational commitments. LIN estimates that these LMAs have created or preserved approximately 165 jobs, annually injected more than $6.5 million in compensation into these five television markets, and paid more than $2.0 million in payroll taxes which would not be paid but for the existence of the LMAs.

[17/] There are other similar hispanic shows on cable and an LPTV station.

More pertinent to the FCC's objectives, there simply cannot be any question but that these stations have substantially enhanced both competition and diversity in these five local markets. Each of the LMAs generates more than 120,000 new advertising availabilities each year. In Austin, Texas, alone, the LMA with KNVA increased spot television advertising inventory by approximately 25%. In all of LIN's markets, the brokering and brokered stations maintain separate sales staffs who compete vigorously with each other; there can be no doubt but that this additional supply has provided downward pressure on advertising prices in these markets.

In addition, each of the stations also provides many new hours of "shelf space" for network and syndicated programming, spending over $5.3 million in non-sports programming annually and providing coverage of 2% of the nation for the WB Network alone (and paying over $250,000 per annum to ASCAP, BMI and other music licensing societies). Again, this increased supply of broadcast time undoubtedly has made these five markets far more competitive for network affiliations and syndicated programming.

Similarly, as shown above, each of the LMAs has provided substantial new competition for viewers, not just broadcast station viewers but cable and DBS viewers as well. Prior to the LMAs, none of these stations were recording significant viewing. As they have been upgraded to full power and height and programming investments have been increased,

the stations' performance has improved steadily. All of these stations are now major competitive factors in their markets with shares for the newer LMAs in the low single digits and ratings for the most watched programming (e.g., local baseball) reaching double-digits.

All of the stations represent important new outlets for local programming and local public service efforts. In addition to new or time-shifted local newscasts, the stations have carried or produced hundreds of hours of children's programming and thousands of public service announcements, the vast majority of which are produced by or for local institutions. And the LMA station operation creates the potential for many kinds of creative and innovative new ventures such as the prime-time replay of program-length political programming normally shown only in the traditional weekend morning slots.

Above all, these five stations have made over-the-air broadcasting stronger and more resistant to attrition from multichannel competitors. Without these outlets, many more Texas Rangers games would be on pay television in Dallas, the WB Network would be on cable in Norfolk, Hartford-New Haven and Austin, and dozens of high quality syndicated products would be forced to accept the smaller audience pool but greater subscriber-fee choice presented by the cable networks. In a video marketplace now dominated by multichannel competitors, each and every outlet is crucial to the

competitiveness of broadcast television and in these five markets, five new substantial broadcast options are available solely because of the efficiencies made available through LMA station operations.

IV. DEREGULATION WILL MAKE THE LOCAL MARKET MORE EFFICIENT.

Although LMAs create many economies of scale, the savings and benefits would be even greater if the Commission deregulated the local television market and permitted common ownership of local stations. Under the current policy, a brokering licensee must retain actual control over its personnel, programming and finances. As a result, brokered stations incur expenses associated with hiring managerial and staff personnel to comply with the main studio rule, maintaining a studio facility, and otherwise overseeing its operations. Additionally, there often are inefficiencies in requiring the brokering station to obtain the approval of the brokered station in carrying out its rights and obligations pursuant to the LMA. Many of these costs could be eliminated if the Commission permitted the LMA stations to be commonly owned.

CONCLUSION

The local ownership rules are intended to foster both diversity and competition in the local television marketplace. LIN's experience over the past few years has shown that LMAs, in fact, promote these objectives by converting underutilized channels into viable local

programming outlets and creating more opportunity and competition in the programming and advertising markets. Also based on LIN's experience, there is no cause for concern that LMAs, or the deregulation of the local broadcast market, will reduce competition or the number of distinct local broadcast outlets. To the contrary, without these types of policies, weaker stations in the market may not be utilized to their full potential. For these reasons, LIN respectfully requests that the Commission continue to permit LMAs and deregulate the local broadcast market.

Respectfully submitted,

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