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Federal Communications Commission
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FLETCHER, HEALD & HILDRETH

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Hon. Michael O'Rielly, Commissioner
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Re: MB Docket No. 14-90. In the Matter of Applications of AT&T, Inc. and DirecTV For Consent to Assign or Transfer Control of Licenses

Dear Chairman Wheeler and Fellow Commissioners:

ZGS Communications, Inc. and its affiliates (collectively "ZGS"), licensees of Class A television stations serving communities across the United States, and the largest independent affiliate of the Telemundo network, respectfully submit this letter in the above-referenced docket. For over twenty five (25) years, ZGS, pursuant to statutory requirement and Commission rule, has been a licensee of the FCC, creating and broadcasting local Spanish-language news and programming tailored to meet the needs and interests of the Latino community. This local content is essential to the lives of an informed and engaged community, as well as our nation's democracy. But, ZGS has been denied carriage on DirecTV satellite systems serving millions of Latino subscribers in major television markets. Thus, our ability to effectively serve our viewers and communities has been greatly hampered, inhibiting our ability to satisfy the core obligation of all broadcast stations—to serve as an interactive community forum for local political, social, and economic dialogue. *See In The Matter of Broadcast Localism*, 19 FCC Rcd 12425 (Comm. 2004).

DirecTV has systematically denied the Hispanic community access to its local stations, which provide daily news and public safety information, weather reports and emergency notices, as well as extensive programming of local interest to the community. Furthermore, DirecTV has continuously misled potential and existing subscribers by advertising that it carries all local stations, when in fact, it does not. Finally, by not carrying the local Telemundo affiliate, DirecTV provides its Hispanic subscribers a lower level of service – a Standard Definition signal, instead of the HD-quality signal enjoyed by English language viewers.

ZGS is Hispanic-owned and operated, unfortunately one of the very few Latino-owned and operated group broadcasters in the country. The company owns the following Class A stations: WTMO-

CD, Orlando, FL, WKME-CD, Kissimmee, FL, WMVJ-CD, Melbourne, FL, WRMD-CD, Tampa, FL, WWDT-CD, Naples, FL, WZDC-CD, Washington, DC, WZGS-CD, Raleigh, NC, WRDM-CD, Hartford, CT, WRIW-CD, Providence, Rhode Island. ZGS also owns full power and LPTV stations. Over the years, ZGS has invested millions of dollars in producing high quality local Spanish-language news and programming at the stations it operates. Latino viewers who tune to ZGS stations have real time access to news, public safety and emergency information, weather reports, and other programming of local interest, all designed to address the needs and issues that impact the Hispanic community and celebrate the rich traditions and heritage of our community. In almost every market, ZGS creates, produces and airs the most local programming of any Spanish-language station and in many cases produces and airs more local programming than its English-language counterparts. Our commitment to local news is unparalleled, and our quality recognized by the numerous Emmy nominations and awards our news programming has received over the years. Our programming and community engagement have helped us achieve high ratings. We are often the #1 rated Spanish-language station in the market.

Not surprisingly, given our programming, news and significant local engagement, ZGS has secured near-universal carriage of its stations on cable, telephone carriers, and satellite in most of its markets. The one exception, in total disregard of its corporate and civic responsibilities, is DirecTV which continues to dismiss and underserve the Hispanic community in multiple important markets. Our stations in Florida, WTMO-CD in Orlando, FL, WRMD-CD in Tampa, FL, WWDT-CD in Ft. Myers/Naples, as well as in WRDM-CD in Hartford, CT and WZDC-CD in Washington, DC – are leading stations and serve markets with significant Hispanic communities, and yet, despite numerous and on-going attempts, ZGS has experienced extraordinary difficulty in securing DirecTV carriage, which in turn denies a large number of Latino viewers and subscribers access to their local stations.

This proceeding, in which the Commission is being asked to pass on a merger of DirecTV into AT&T Inc. ("AT&T"), offers an opportunity for ZGS to secure FCC – and satellite operator – focus on the local programming/ carriage dilemma. ZGS takes no position of whatever kind on the public interest merits of the merger or whether it should be approved. Rather, ZGS respectfully requests that, in performing its duty to evaluate the complex communications, telecommunications, and antitrust issues raised by the merger proposal, the Commission carefully survey the communications landscape with a view toward promoting full service to minority communities, and diversity of ownership and voices in the industry. AT&T ought to take cognizance of the needs and interests of the local Latino audiences it will serve and the quality programming ZGS offers should the merger be approved. At a minimum, the Commission should strongly urge the powerful AT&T-DirecTV monolith to give serious consideration to fully and effectively serving local communities, and address ZGS' longstanding carriage request.

The Commission should instruct staff familiar with the parties and the issues here to encourage more flexibility on the merged satellite company's part and, if necessary, to take affirmative steps to facilitate further talks between ZGS and DirecTV. The merger may proceed ahead on a timely timeline, if that is what the Commission determines is the proper outcome. But the fundamental programming/carriage issues we raise here should receive a long-delayed and comprehensive review by AT&T and the Commission. Our proposed approach would lead to a "win, win, win" outcome for the satellite companies, ZGS, and most importantly, the viewing public. The public interest and DirecTV's private interest intersect here; - DirecTV can do well by doing right.

DirecTV's rigid position on carriage severely inhibits ZGS' ability to accomplish the objectives of Title III of the Communications Act, as interpreted and enforced by the Commission. In *Localism, supra*, the Commission reiterated that "the concept of localism derives from Title III of the Communications Act." *Localism, supra* at 12426. As the Supreme Court observed in *FCC v. Allentown*

Broadcasting Corporation, 349 U.S. 358, 362 (1955): "Fairness to communities [in distributing radio service] is fostered by a recognition of local needs for a community radio mouthpiece." The Commission has followed Congress' and the Supreme Court's lead:

"As with competition and diversity, localism has been a cornerstone of broadcast regulation for decades. Broadcasters, who are temporary trustees of the public's airwaves, must use the medium to serve the public interest, and the Commission has consistently interpreted this to mean that licensees must air programming that is responsive to the interests and needs of their communities of license. Even as the Commission deregulated many behavioral rules for broadcasters in the 1980s, it did not deviate from the notion that they must serve their local communities." *Localism, supra* at 12425.

We are a very committed and proud Latino broadcaster. We regard our FCC licenses as embodying a responsibility and a duty to effectively serve our communities. We are doing our part by being the very best local broadcaster we can be. It is only fair and right that Latino audiences be offered the same level of commitment and service by DirecTV. This is the least the "public interest" demands of DirecTV and other MVPDs. Therefore, the Commission should broker a mutually-acceptable settlement between DirecTV or DirecTV's successor (AT&T) and ZGS, contemplating retransmission of ZGS' stations in every market prior to federal approval of the proposed merger.

Respectfully submitted,

ZGS Communications, Inc.


By: Ronald Gordon
Chief Executive Officer

June 29, 2015