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May 29, 2003

Ex Parte Communication

The Honorable Michael K. Powell
Chairman
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Re: MB Docket No. 02-277, Biennial Ownership Review

Dear Mr. Chairman:

Nexstar Broadcasting Group, Quorum Broadcasting Company and Mission Broadcasting, Inc., by their undersigned attorneys, hereby state their support for the proposal submitted to the Commission yesterday by the National Association of Broadcasters and several of its members. Nexstar currently owns 14 television stations, Quorum owns 10 television stations, and Mission owns six television stations. All of these stations are in medium and small markets. Thus, these companies are in a unique position to understand fully the current debate regarding the Commission's TV duopoly rule and the proposed "top-four" exception.

If the Commission expands the network ownership cap, allows newspaper and television joint ownership in a market, and takes the other steps that it is rumored to be contemplating, without at the same time providing meaningful relief for local television stations in medium and small markets, the Commission will actually be harming such stations. It is extremely unfair for the Commission to be granting regulatory relief to the networks, newspaper companies and others, without granting some meaningful relief to TV stations in medium and small markets that are not owned by the largest media conglomerates. It is these companies, such as Nexstar, Quorum and Mission, that can help maintain diversity of ideas and economic competition in markets, as well as the balance between stations and networks. Furthermore, at a time when local television stations are being required to undertake the capital expenditures of converting to DTV without any realistic hope of revenues from those expenditures, and when these stations are in the process of losing network compensation, and now may be faced with competitors owned by local cable television systems, local newspapers and networks, the ownership of two local stations by a company with no other local media interests becomes necessary for survival.

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Under the “top-four” exemption (as we understand it currently is written), the third ranked station in a market could not acquire the fourth ranked station, even if their combined share of audience is less than each of the top two stations’ shares. Likewise, under the proposal as we understand it, a local newspaper could buy a station in a market, a network could buy a station, a cable company could buy a station, but a company that has the third-ranked station and no other local media could not buy the fourth-ranked station even if that station is struggling to survive and unable to broadcast local news or other local programming on its own. This can’t be what the Commission intends because it results in less diversity of programming and ideas.

Nexstar, Quorum and Mission urge the Commission to acknowledge the plight of medium and small market TV broadcasters and to adopt a more lenient TV duopoly rule than the strict “top-four” limit that we understand is currently being contemplated.

Sincerely,


Howard M. Liberman

CC: The Honorable Kathleen Q. Abernathy
The Honorable Michael J. Copps
The honorable Kevin J. Martin
The Honorable Jonathan S. Adelstein
Kenneth Ferree
Paul Gallant