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December 19, 2006

The Honorable Kevin J. Martin  
Chairman  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Re: MB Docket No. 06-121

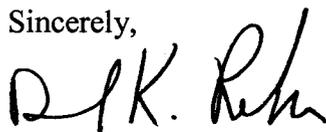
Dear Mr. Chairman:

The National Association of Broadcasters (NAB) supports The Smaller Market Broadcasters Coalition (SMBC) in seeking duopoly relief for small and medium-sized television markets. As NAB explained in our initial comments in this proceeding, reforming the television duopoly rule, especially in small and medium markets, is necessary to ensure the financial strength of local television stations. Smaller and medium markets have seen substantial revenue declines in the past 10 years. Indeed, according to our study, *The Declining Financial Position of Television Stations in Medium and Small Markets*, these stations are experiencing increasing news expenses and declining network compensation, and lower-rated stations are struggling to survive as independent entities. This study also reconfirms the Commission's previous conclusion, expressly based on data provided by the NAB, that the "ability of local stations to compete successfully in the delivered video market is meaningfully (and negatively) affected in mid-sized and smaller markets." See *2002 Biennial Regulatory Review Report and Order*, 18 FCC Rcd 13620 at ¶201 (2003).

As we noted, "reform [of the duopoly rules] would ensure the competitive viability of free over-the-air local television stations and, consequently, their ability to maintain a significant local presence and serve their local communities with responsive programming." Without reform, consumers in medium and small markets will likely be left with fewer options for local news and information.

Best wishes.

Sincerely,



David K. Rehr

cc: All Commissioners