

April 15, 2011

Mr. Steven Waldman
Senior Advisor to the Chairman
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Dear Mr. Waldman:

TVB, the Television Bureau of Advertising, is a non-profit trade association representing more than 500 leading local market broadcast television stations. Our mission is to advocate the benefits of local television broadcast advertising on all of our stations' platforms, including over the air, websites and mobile. We work with advertisers and advertising agencies to help them maximize their effectiveness in placing local market advertising campaigns.

We write you today to discuss the significant benefits that the United States government could realize by focusing on *local media*, rather than exclusively on national media, in its advertising spending. In addition to conserving increasing scarce federal funds, U.S. government spending on local media could provide an important element of support for local journalism and the information needs of local communities.

1. Government advertising spending is significant, and a shift of spending to local media could have a meaningful impact on local news production capabilities.

U.S. government spending on advertising tends to be highly decentralized, and it is not tracked, to our knowledge, by any single, publicly available source. We are aware of general estimates that government advertising spending on print, broadcast and digital media may be roughly \$1 billion per year, a figure that may be reliable. A recent analysis of U.S. government advertising spending by Kantar Media shows that the federal government spent about \$416,000,000 in 2010. We believe this estimate provides only part of the picture, however, because government spending is listed in several different sections of Kantar's database. In addition, 2010 spending included the U.S. Census campaign at \$128,000,000 as well as recruitment advertising for the various military services. Rounding out the spending were campaigns for Job Corps, the U.S. Postal Service, national highway safety, Health and Human Services, the U.S. Departments of Transportation, and Veteran's Affairs. There may be other sources that will disclose additional sources of government advertising spending. But for now, it is safe to assume that there are significant amounts of federal government advertising dollars that could be shifted to local media.

2. Local television can replicate the coverage of national advertising purchases, and, in fact, it can increase the effectiveness of the government's advertising spend by improving on network television audience delivery.

All network television viewing is achieved through viewership to local television stations. The stations owned by, and affiliated with, each network are literally the networks' delivery channel. so whatever reach is achieved by a national network can, by definition, be achieved by the affiliated stations. Local stations, however, have more dayparts to program than the network. This creates the potential to generate more viewing through local TV stations than if an advertising purchase is limited to only the network dayparts. The networks program Early Morning, Daytime, Evening News, Primetime and Late Night. Local stations carry all these dayparts, *plus* Early, Early Morning, Noon News, Early Fringe (late afternoon), Early News, Prime Access (the hour before Primetime) and Late News.

3. Local television can save advertisers, including the federal government, significant revenues for comparable advertising purchases because local television is more efficient than network television.

TVB tracks the relative costs and efficiencies of purchasing advertising time on a national basis via the broadcast networks (for example, ABC, CBS, FOX, and NBC) compared to the costs of buying equivalent advertising impressions in the local marketplace through local market broadcast television stations. We use the services of an industry standard, independent third-party research provider, SQAD® (<http://www.squad.com/about/>) to obtain both national and local cost estimates based on actual advertising agency buying data. As of the current calendar quarter, the second quarter of 2011, SQAD® data reports that the network marketplace is, on average, *29 percent more expensive* than local market television for comparable audience delivery. In fact, utilizing non-network dayparts in addition to the standard network dayparts, an advertiser can achieve even greater savings than the 29 percent noted by SQAD® data for purchases of network dayparts.

4. The geographic targeting and local sponsorships available through local television can enhance the impact of an advertising purchase, as compared to a national purchase.

The physical location of television stations in local markets gives the advertiser the advantage of geographic targeting -- that is, spending more or less in geographic areas that have greater or lesser potential for response to the advertiser's offered product or service. Because nearly every product or service has some sort of geographic skew, this ability can greatly enhance the effectiveness of the advertising. Additionally, local media properties, particularly local television stations, offer the advertiser the ability to create local sponsorships that can help tie the advertiser to the local interests and concerns of each community.

5. Local television offers more flexibility than network buys, and this flexibility can be an important benefit to advertisers.

Local television can be booked on a long term (annual) basis or a short term (weekly) basis. In either case, there are market-by-market cancellation privileges that can be exercised on a relatively immediate basis. This feature of local television advertising can be extremely useful to advertisers. In the case of an armed services recruitment program, for example, we would expect the response to the recruiting goals for each metropolitan area, region or state to vary widely. With local market television advertising, the advertiser has the ability to “heavy up” and “lighten up” the advertising spend in direct relationship to the campaign’s performance to goals, thus permitting the campaign to be undertaken more effectively over time. This flexibility is unique to local media and is unavailable to the same degree on a network purchase.

6. There is an infrastructure in place to easily switch from network to local station campaign execution.

Many advertisers assume that a nationwide campaign requires the purchase of national media because of the one-stop-shopping that is possible when purchasing network advertising. This assumption, however, is entirely incorrect because the sales structure for the local advertising industry has removed the friction from purchasing local advertising while preserving the flexibility and cost savings that flow from local television advertising. Today, when an advertiser places an advertising buy on local television stations, there is no need for the advertiser or its agency to contact each station individually. Instead, aggregators known as national sales representatives represent broadcast stations in markets across the country and streamline the buying process. All national agencies have local television buying departments, and they purchase through national reps on a daily basis. There are no significant executional impediments to moving from a national network television buy to a local market broadcast station plan -- the change could be seamless, and the government could begin increasing effectiveness and achieving cost savings immediately.

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We would welcome an opportunity to present this data to you and your team in a more comprehensive manner, and also welcome any questions or comments.

Respectfully submitted,



Steve Lanzano
President

cc: FCC Docket File