May 3, 2011

Via Electronic Comment Filing System

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W., TW-A325
Washington, D.C. 20554

Re: Written *Ex Parte* Submission
Report Required by the Satellite Television Extension and Localism Act
On In-State Broadcast Programming
MB Docket No. 10-238

Dear Ms. Dortch:

The ABC Television Affiliates Association, CBS Television Network Affiliates Association, and the NBC Television Affiliates (collectively, the "Joint Television Network Affiliates") submit these additional written materials to aid the Commission in preparing the report to Congress required by Section 304 of the Satellite Television Extension and Localism Act of 2010.[1]

In their reply comments, the Joint Television Network Affiliates showed that the current DMA system supports and promotes local "natural" economic markets and their economies.[2] Since then, a number of local advertisers, advertising agencies, and economic development organizations have expressed their concern to local television stations about various pending proposals to alter the current nature and structure of DMAs and the economic significance to local economies of the current DMA structure. The comments contained in this submission for several markets are offered for illustrative purposes. Similar concerns and comments would be expressed, in our opinion, by local stations, local advertisers, local business, and economic development organizations in every DMA throughout the country that crosses state lines.

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[1] *See* Satellite Television Extension and Localism Act of 2010, Pub. L. No. 111-175, § 304, 124 Stat. 1218, 1256 (2010).

[2] *See* Reply Comments of the Joint Television Network Affiliates, MB Docket No. 10-238 (filed Feb. 22, 2011), at 16-17.

The Commission is well-aware that DMAs form the basis for advertising sales that support local television station local program production and national and regional program purchases.[3] Congress has consistently found the existing advertiser-supported free broadcast system to be of central importance in providing "information from diverse and antagonistic sources" that is "essential to the welfare of the public."[4] In order for local television stations to create, produce, and televise the news, public affairs, and informational programming that is critical to the working of a democratic society, as well as sports, entertainment, and other programming, television stations are dependent on local commercial advertisements that, in turn, provide information about goods and services available to local consumers.

DMA boundaries not only reflect *actual* viewing patterns, they also reflect cohesive *local* advertising and retail markets. In other words, DMAs reflect *natural local* markets. Artificial manipulation of those markets to allow the importation of duplicating national network and syndicated programming will disrupt and fragment those markets and adversely affect not only local television stations, but local economic development, local economies, and local viewers. The following information, provided by various stations throughout the country whose DMAs cross state lines, demonstrates why this is the case.

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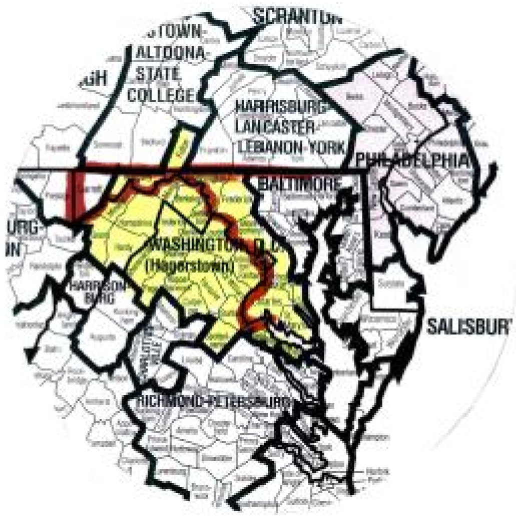
[3] *See* Media Bureau Seeks Comment for Report Required by the Satellite Television Extension and Localism Act on In-State Broadcast Programming, Public Notice, DA 10-2227 (Nov. 23, 2010), at 3 n.8.

[4] *Turner Broadcasting System, Inc. v. FCC,* 520 U.S. 180, 192 (1997) (*quoting Turner Broadcasting System, Inc. v. FCC*, 512 U.S. 622, 663-64 (1994) (*quoting United States v. Midwest Video Corp.*, 406 U.S. 649, 668, n.27 (1972) (plurality opinion) (*quoting Associated Press v. United States*, 326 U.S. 1, 20 (1945)))).

A.
Market: Washington, D.C.-Hagerstown (DMA 9)



The Washington, D.C.-Hagerstown DMA consists of the District of Columbia, 16 counties in Virginia, eight counties in Maryland, seven counties in West Virginia, and one county in Pennsylvania.

Mr. Allan Horlick, general manager of Gannett's WUSA(TV), Washington, D.C., received numerous communications from advertisers, advertising agencies, and the largest regional organization of businesses expressing their concerns about the negative repercussions of proposals to artificially manipulate DMA boundaries.

James C. Dinegar, President and Chief Executive Officer of the Greater Washington Board of Trade, notes that "Greater Washington functions as a fully integrated region and should be treated as such." Mr. Dinegar states that applying artificial borders to broadcasting

> would not only be disruptive to broadcast organizations and their current business models, but it would harm the local economy as well. Local businesses with multiple locations, such as car dealers, supermarkets, and various retailers could lose their ability to easily execute marketing plans and purchase local television as they have for decades. This new impediment to advertising will dramatically impact these businesses as well as advertising agencies.

See Letter in Exhibit 1.

According to Tamara C. Darvish, Vice President of DARCARS Automotive Group, a family-owned group of 34 automotive franchises in the greater Washington area, modifying the Washington DMA's boundaries would cause

> disruption not only to retail businesses and media outlets but would also create great confusion and disadvantage to the residents and consumers in this market. . . . The Greater Washington region clearly requires a continued collaboration throughout the District of Columbia, Suburban Maryland, and North Virginia as they are all interdependent upon each other for residential, employment, retail, traffic, education and many other industries that affect our communities.

See Letter in Exhibit 2.

Michael Burke, Director of Operations for Janjer Enterprises, Inc., a franchisee of 29 Popeyes restaurants in the Washington DMA, states that his company's business model would be negatively impacted if the local market became separated into three different markets, and that market modification would

> inhibit the benefits of DMA advertising that currently enhances the traffic and sales for all of our locations, despite the variances of locations per state. By advertising separately in 3 distinct marketplaces, I will not have the ability to yield the best results for my business. Nor would my budgets allow the exposure necessary to impact all locations due to those variances. We would spend an inordinate amount of time and money to plan, place and maintain duplicate buys in 3 different states. This would be impossible an[d] ineffective.

See Letter in Exhibit 3.

In addition, Donna Lee Peters, Media Director for Pivec Advertising in Timonium, Maryland, which represents the Toyota Dealers Association of the Central Atlantic region, which in turn is the largest local advertiser in the Washington DMA, states:

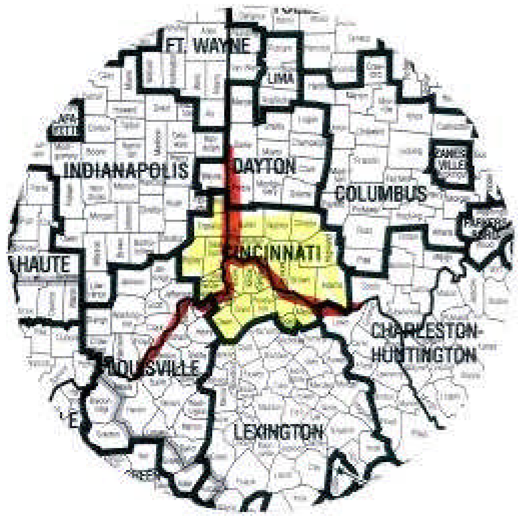
> I want to speak out against the ridiculous idea to have our local market chopped up into 3 distinct marketplaces, rather than keeping it as [the] one large local DMA that it is.
>
> . . . This change would present enormous problems for any commerce with multiple locations! It would certainly harm any company's success, and essentially damage our local economy.
>
> I see this would create false information for measurement, and gross over-duplication of audiences. . . .

See Letter in Exhibit 4.

For those members of the greater Washington community who live in Arlington, Virginia, another question to ask is do you really want to get "local" emergency information from Richmond in the event of another attack on the Pentagon? For those who live in Bethesda, Maryland, do you really want your local emergency evacuation information from Baltimore in case of a Potomac flood? For those sports fans in the Maryland suburbs of the District of Columbia, do you want information primarily focused on the Orioles and Ravens or the Nationals and Redskins? The reason residents of the greater Washington area subscribe to the *Washington Post* and not the *Baltimore Sun* or *Richmond Times* covering the Washington community is that there *is a distinct greater Washington community*—the area is *not* carved into separate markets for Virginia, the District, and Maryland. Natural markets are natural markets and, although the Washington stations are licensed to the District, only 11% of the DMA residents actually live in the District of Columbia. Importing duplicating signals from Maryland and Virginia would eviscerate the financial base that permits serving the whole, real community.

*

B.
Market: Cincinnati (DMA 33)



The Cincinnati local DMA consists of eight counties in Ohio, ten counties in Kentucky, and six counties in Indiana.

According to Richard Dyer, the general manager of Hearst Television's WLWT-TV, Cincinnati, Ohio:

> The Cincinnati DMA serves the tri-state market of Southwestern Ohio, Northern Kentucky, and Southeastern Indiana. This natural trading area is bordered to the North by Dayton, Ohio, to the south by the Louisville and Lexington markets and to the west by counties in Southeastern Indiana. While the largest segment of the market is Ohio at 80%, our service to Northern Kentucky's 15% and Southeastern Indiana's 5% provides a crucial connection that no other station in their respective states could provide.
>
> Our Northern Kentucky and Southeastern Indiana viewers have been ably served by Cincinnati television stations for over 60 years. These markets seamlessly create a vibrant economic market of 2 million people that are effectively served by the five commercial television stations. Importing distant in-state signals would essentially create unnecessary duplicate programming, retailer strategy upheaval, and exposure to inaccessible retailers for consumers. Distant stations would be allowed access into new markets without the key commitment that distinguishes local broadcasting, localism.
>
> Geographically, our Northern Kentucky viewers are virtually five minutes away and the next closest Kentucky markets, Louisville

> and Lexington, are both nearly 90 minutes away. This tri-state region is viewed by every business category as one cohesive, trading region, from advertisers and ad agencies to our Cincinnati USA Regional Chamber.

According to Sue Inkrot, Senior Local Buying Strategist with Empower Media Marketing:

> Retail promotions tend to be in the surrounding area, not the nearest city in the state. For example, a bank's advertised lending rate might be different in Cincinnati/Northern Kentucky than in Lexington and Louisville. Also, a grocery or furniture group could have different promotional offers for those in the Cincinnati DMA vs Lexington and Louisville.

Mr. Dyer further observes:

> Importing distant signals would unnecessarily complicate the business practices of retailers who have defined their business strategies to appeal to customers of a particular market. Cincinnati's largest employer, Kroger, operates throughout the states of Ohio, Kentucky, and Indiana with customized marketing and pricing strategies for each. Advertising the Kentucky Wildcats March Madness in-store section that would fit in Lexington, Kentucky, would likely not be carried in Cincinnati area stores, thus frustrating customers seeing those commercials from a distant signal.

And Lynn Cortelezzi, Vice President of Local Broadcast Strategy, Empower Media Marketing, states:

> DMAs represent the focus of a likeminded city. People living across the Ohio River in Covington and Newport will be more interested in the happenings of Cincinnati rather than that of Lexington or Louisville which is an hour away. Most of their business concerns/needs would relate to Cincinnati rather than a city farther away, thus making Ohio stations best suited to serve their needs. Importing signals from Lexington or Louisville does not make sense.

*

C.
Market: El Paso-Las Cruces (DMA 97)

The El Paso-Las Cruces DMA consists of three counties in Texas and one county in New Mexico.

Mr. Kevin Lovell, general manager of News-Press & Gazette Broadcasting's KVIA(TV), El Paso, Texas, received communications from an advertising agency based in Las Cruces, New Mexico, a resident of Las Cruces who is a former television news director, and a university professor at New Mexico State University attesting to the economic integration of Las Cruces with the much larger city of El Paso.

According to Professor Christopher Erickson, New Mexico State University, Las Cruces and El Paso "are highly integrated economically." Prof. Erickson states:

> Economic growth in El Paso is a major determinate of the economic dynamics of Las Cruces. The expansion at Fort Bliss, for example, added about 1% per annum to growth in Las Cruces over the last five years. Much of the growth in our county has occurred in the southern part of the county, near the Texas-New Mexico border and is in response to developments in El Paso.

See Letter in Exhibit 5.

According to Ken Binkley, a partner at Wilson Binkley in Las Cruces, the largest full-service advertising agency in southern New Mexico:

> The geography and sparse population of New Mexico and West Texas have created a unique market with a closely tied, common economy. The existing DMA correlates to the area's natural and

> long-established retail patterns. Unwarranted government manipulation of these patterns will negatively impact the ability of regional businesses to market their products and services effectively and efficiently.
>
> Las Cruces and Doña Ana County have over 209,000 residents (2010 U.S. Census Data), which makes it the second-largest county and city in New Mexico. However, as Las Cruces is located approximately 40 miles north of El Paso, residents of both El Paso and Las Cruces move freely between the two communities. These consumers go to the same restaurants, shop at the same stores and buy cars from the same dealerships. . . .
>
> Albuquerque is located approximately 225 miles north of Las Cruces. The vast majority of the time, for most decisions, local consumers do not interact with businesses that far away. Las Cruces viewers would not only be subject to messages primarily addressed to the Albuquerque DMA, the local advertisers would have to buy media in both El Paso and Albuquerque to reach the local audience, which is not economically feasible.
>
> . . . [T]he[] marketing efforts [of local businesses] do not take the state line into consideration, just as their customers don’t. We place media buys with local stations within the DMA, because it wouldn’t make sense to pay higher rates in big broadcast markets hundreds of miles away delivering an audience that is largely wasted.
>
> . . . Las Cruces would be most affected [by a change in DMA boundaries]. . . . Many [advertisers] would be forced to abandon the local market, seek alternative (and less efficient) media, or “go dark” to cut costs. As advertising is reduced, the business will slow, and jobs are likely to be lost at both the retail level and at local media properties. At a time when small business is struggling to face the new economic realities, this would represent another roadblock to growth.

See Letter in Exhibit 6.

And, Udell Vigil, a Las Cruces resident and former television news director, states:

> I can attest that when it comes to TV news coverage of southern New Mexico, we here depend almost exclusively on El Paso TV stations. KVIA-TV in particular, which has a full-time news bureau in Las Cruces, provides excellent coverage of southern New Mexico, unlike stations in Albuquerque that focus primarily on the northern part of the state. Little to no southern New Mexico

> news appears on Albuquerque TV newscasts. Allowing carriage of TV stations outside our area would be of no benefit to residents here.

See Letter in Exhibit 7.

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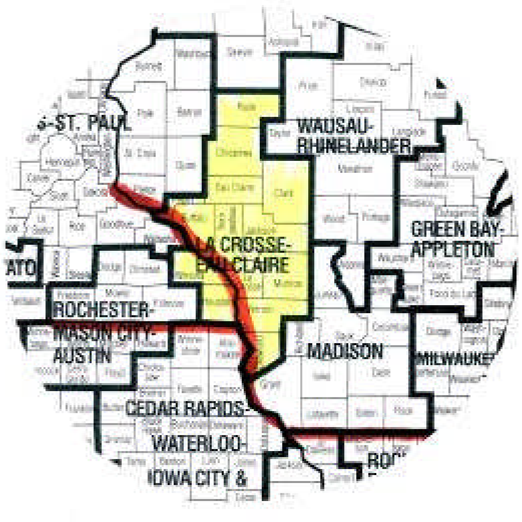
D.
Market: La Crosse-Eau Claire (DMA 128)



The La Crosse- Eau Claire DMA consists of 12 counties in Wisconsin and two counties in Minnesota.

According to David Booth, general manager of Quincy Newspapers' WXOW-TV, La Crosse, Wisconsin:

> Even though WXOW-TV is licensed to La Crosse, Wisconsin, our transmission site and studios are located across the Mississippi River in La Crescent, Minnesota. Due to the nature of television transmissions, a TV station located on the border of two states cannot direct their entire signal into their state of license. In the case of my station, In-State Market Modification would result in approximately 40% of my station's signal being wasted.
>
> With regard to the business community, many of this area's largest employers draw employees and customers from three states (Wisconsin, Minnesota and Iowa). If my station was only available in Wisconsin, they would need to seek news coverage and commercial space from television stations in three separate television markets. This would substantially increase the costs for their marketing and public relations efforts. (With the ongoing financial stress in the health care and financial industries, this hardly seems like the appropriate time to burden these organizations with this unnecessary expense.)
>
> Even Wettsteins, a 67-employee, family-owned appliance and electronics store in Downtown La Crosse, Wisconsin, generates 20-30% of their gross annual sales from customers in Minnesota

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and Iowa. According to Dan Wettstein (owner): "We'd be out of business if customers didn't come from across that river" (the Mississippi).

Due to the unique nature of our region and the interdependence of institutions and business in these three states, a decade ago local leaders created the 7 Rivers Region Alliance. The stated Mission of The 7 Rivers Region Alliance is as follows:

> The 7 Rivers Alliance is a regional leadership group that boosts economic growth by fostering collaboration in western Wisconsin, southeast Minnesota, and northeast Iowa. We are persistent and consistent advocates for keeping communication open and developing regional networks in the Upper Mississippi Valley through regional meetings and networking events. The 7 Rivers Alliance brings together public and private resources to forge entrepreneurial growth and serves as a clearinghouse of vital information to enhance quality of life in the region.

Television markets should not be constrained by lines on a map. The current system of defining television markets is truly a democratic process. Viewers decide which stations they prefer to watch based on that station's news, information and entertainment offerings. They vote with their remote controls. The economic success of this region could potentially be damaged by not listening to the votes of those viewers.

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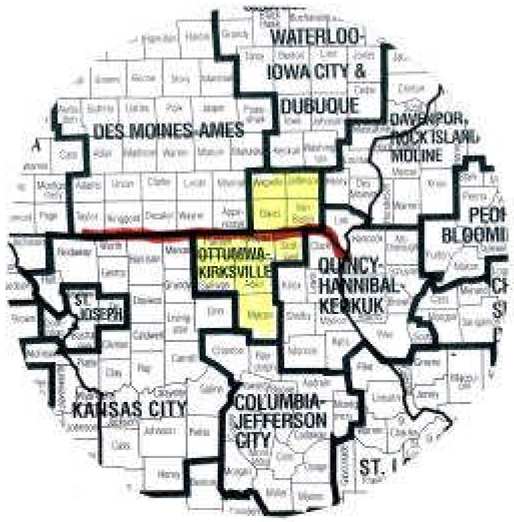
E.
Market: Ottumwa-Kirksville (DMA 199)



The Ottumwa-Kirksville DMA consists of four counties in Iowa and six counties in Missouri.

According to Chris Cornelius, Chief Operating Officer of Barrington Broadcasting Group, KTVO(TV), Kirksville, Missouri maintains full studios/news bureaus in both Kirksville and Ottumwa, Iowa. News coverage on the station's primary channel includes in-depth coverage of both Missouri and Iowa issues on a daily basis. Reporters assigned to the Kirksville facility regularly present stories emanating from the state capital in Jefferson City, while those in the Ottumwa studio cover Iowa state news from Des Moines. In election years, the station produces debates featuring state candidates from both sides of the border.

The station received comments from several local businessmen expressing concern about altering the DMA boundary to reflect so-called state interests. According to Randy Zorn, the Plant Manager for Cargill in Ottumwa, Iowa:

> I have grave concerns about this Market Modification idea as an employer and as a viewer. I rely on local television to recruit employees, and we pull from both sides of the state line. It matters little to me that KTVO's main studio is in Kirksville, Missouri. That station serves this region. Forcing us to rely on stations from Des Moines would make it impossible to recruit. What about coverage for Southeast Iowa? Do we really think that Des Moines stations are going to bother with news and weather coverage this far away? We'd be left in limbo.

Mark Kruger of Kelly's Furniture in Kirksville, Missouri, states:

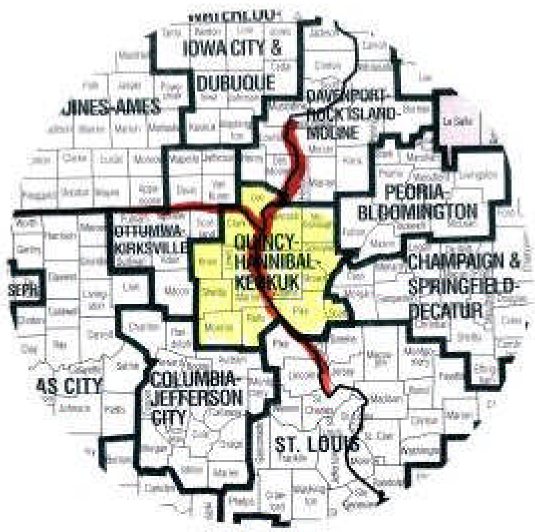
> We rely on our local channels to target consumers in Missouri and Iowa and bring us relevant, localized news. This is what helps us push our product. We depend on our local stations to deliver our message. I'm not sure who would benefit from this taking place but most, if not all, local businesses in our market will be affected as we would face the pull of larger businesses in the Des Moines area. We would not be able to advertise on those stations as the cost would increase significantly.

And Gary Coberly of Wapello Tire in Ottumwa, Iowa, adds:

> I don't see the benefit to viewers or advertisers. This plan would be an arbitrary decision without determining how it affects the people who watch or the businesses who are trying to market themselves in this region.

*

F.
Market: Quincy-Hannibal-Keokuk (DMA 172)



The Quincy-Hannibal-Keokuk DMA consists of six counties in Illinois, seven counties in Missouri, and one county in Iowa.

Leo T. Henning, Senior Vice President of Barrington Broadcasting Group, who has nearly 40 years of broadcast management experience in the Quincy-Hannibal-Keokuk market, states with respect to KHQA-TV, Hannibal, Missouri, and its market:

> The Quincy-Hannibal-Keokuk marketplace was defined long before the advent of television. Indeed, this distinct trading zone was already developing before the States of Illinois, Iowa and Missouri came into existence.
>
> Governments drew the boundaries of the States. But, here, those borders are defined not so much by law as by nature. The Mississippi and Des Moines Rivers may be the limits of State influence, but for those who live and work in this area the rivers are not boundaries. They are central arteries drawing in citizens on all sides together to drive a regional economic engine. Citizens in this trade zone have more commonweal across these State boundaries than they have with fellow citizens in their resident State.
>
> If the River is the historical center of gravity for the economic trading zone, then, currently, local television is the heart of its communication system. Local television is the only media that

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reaches the entire trade zone and all constituents. It is the catalyst of the regional economic engine.

Market Modification would neutralize this catalyst, severely weaken it and dilute its effectiveness. It would replace a natural trade zone, established by a free market long ago, with an artificial construct of modern day politics.

The efficacy of the Quincy IL/Hannibal MO/Keokuk IA Television DMA is already tested four times each year. The market definition has expanded and contracted many times through the "vote" of viewers in their response to the quarterly Nielsen Station Index. The marketplace definition remains fluid and is continually redefined by consumer choice.

All television stations in the marketplace provide extensive coverage of important state news. With the advent of multicast capability, all have added additional network programming giving regional viewers the full range of free over-the-air network offerings. Any assertion that in-state viewers in this DMA are underserved by their bordering out-of-state television stations is simply inconsistent with the facts.

KHQA-TV, WGEM-TV, and WQEC-TV are licensed to serve the public convenience and necessity of the citizens within reach of their signals. No distinction is made for state, county or municipal borders. These stations meet their responsibility with distinction.

But while their service to the region has been substantial, it is often easy to forget in some quarters that these licensees are, in fact, small businesses. They are susceptible to the same market volatility as any small shop on Main Street USA. In most respects, the continued vitality of their public mission rests solely on the revenue from local advertising.

Market Modification would significantly devalue network and syndication franchise agreements and greatly harm the ability to deliver a mass audience. Without a mass audience the revenue stream would diminish, resulting in reduced service. This would do irreparable damage to localism in a marketplace where it has meant so much.

There is ample evidence of the public good arising from the current definition of the marketplace. It can be seen in an interdependent and diversified economy, inter-governmental cooperation, ample employment across state borders, a cohesive

> and highly beneficial transportation infrastructure, cooperative interstate educational and workforce development efforts, regional tourism initiatives and mutual aid from tri-state first responders in times of emergency. All of this is bound together by our mutually shared regional interests and the community conversation fostered by local television.

Station KHQA received comments from several local business people expressing concern about the effects of altering the structure of the local DMA. According to Richard Poe of Shottenkirk Chevrolet-KIA, in Quincy, Illinois:

> We look at two components in our advertising messages: (1) Whether the person lives within a driving distance to my dealership so that it makes sense for them to shop here, and (2) whether or not the message they see in my advertising will been perceived as a value to them. Over 40% of my business comes from the two bordering states—Iowa and Missouri. Artificial market realignment would inhibit our ability to effectively target advertising to customers within our immediate geographic area.

Brownie Brown, owner of Brown's Furniture in Palmyra, Missouri, states:

> The very essence of our business lies is our ability to cater to a geographic region that includes three states in this market. This region was a well defined marketplace long before television DMAs came along. Fifty percent or more of our business comes from the two neighboring states. [Altering the DMA] could give an unfair advantage to larger advertisers in larger in-state TV markets, and that would have a devastating effect on our business.

And Charles A. Craven, of Heintz Electric Company in Quincy, Illinois, comments:

> Market Modification could be a game changer for many small businesses. It would allow businesses to cross long-established trade areas via the media and I believe all the advantage would go to bigger businesses. Small businesses would suffer; local communities would suffer. As a viewer I rely on the local television stations as my primary source for news and weather, which I don't believe would be covered from St. Louis or Kansas City. This would not be a positive change for this area.

According to Carlos Fernandez, general manager of Quincy Newspapers' WGEM-TV, Quincy, Illinois, Blessing Health System ("Blessing"), which includes a cancer center, a heart and vascular center, numerous rural health clinics, and a hospital in Quincy which is the largest medical center within a 100-mile radius, would face increased costs to educate consumers about healthcare issues and services if the structure of the Quincy-Hannibal-Keokuk DMA were artificially manipulated.

Mr. Fernandez reports that Michael Gilpin, Vice President, Marketing for Blessing Corporate Services, does not view the healthcare system's service area as stopping at the Mississippi River. The Blessing Health System provides service to all those who need and seek it. For example, in northeast Missouri, an area that has a large underserved population, Blessing looks for the potential needs of the area and how it can be served with the healthcare services that Blessing provides.

Mr. Gilpin believes that if Blessing had to go to St. Louis to inform/educate the local population about the services available to them, then the healthcare system's overall costs would increase—but without any commensurate increase in the government's reimbursement for specific services. Mr. Gilpin also noted that Accountable Care Organizations, in which health care providers are assigned a population of patients they must serve in order to receive reimbursement, cross state lines.

Finally, Jim Mentesi, President of the Great River Economic Development Foundation, states that "[t]here is no question in my mind that the existing television market system is of significant benefit economically to our region." Mr. Mentesi further states:

> Both WGEM-TV, the NBC affiliate, and KHQA-TV, the CBS affiliate, play an integral role in the tri-state region of western Illinois, southeast Iowa and northeast Missouri. They provide leadership, public service, news and weather coverage and emergency alerts. . . .
>
> Without these stations, our area would not be able to maintain a regional mentality and economic growth at its current level. Anything that negatively impacts the existing television market system would have significant negative economic and quality of life consequence for us.

See Letter in Exhibit 8.

*   *   *

The Joint Television Network Affiliates believe the information presented herein demonstrates further the necessity to preserve the current DMA framework for local television stations and the local communities they serve. The Joint Television Network Affiliates respectfully request that the Commission include this information in its report to Congress and recommend that the DMA system of television markets be maintained as it is.

Please contact any of the undersigned if you have any questions concerning the information provided herein.

Sincerely,

/s/

Wade H. Hargrove
David Kushner
BROOKS, PIERCE, MCLENDON,
HUMPHREY & LEONARD LLP
Wachovia Capitol Center, Suite 1600
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919-839-0300

Counsel for the ABC Television Affiliates Association

/s/

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COVINGTON & BURLING LLP
1201 Pennsylvania Avenue, N.W.
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202-662-6000

Counsel for the CBS Television Network Affiliates Association and the NBC Television Affiliates

cc: William T. Lake
Hillary DeNigro
Marcia Glauberman

Index of Exhibits

GREATER WASHINGTON
Board of Trade

Growing Business, Building Community.

April 1, 2011

To Whom It May Concern:

I write to express my concern about any move to apply artificial borders to broadcast transmissions when the regional approach has served the American people very well. Our population centers are not restricted by state borders, nor are the radio and television operations restricted in their community outreach to a simple state by state approach. Greater Washington functions as a fully integrated region and should be treated as such.

This move would not only be disruptive to broadcast organizations and their current business models, but it would harm the local economy as well. Local businesses with multiple locations such as car dealers, supermarkets, and various retailers could lose their ability to easily execute marketing plans and purchase local television as they have for decades. This new impediment to advertising will dramatically impact these businesses as well as advertising agencies.

I strongly encourage special consideration of this market modification before you move forward with this unwise and shortsighted approach to changing the community-based broadcast industry.

Thank you.

Sincerely,

James C. Dinegar, CAE
President & CEO

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1-800-DARCARS
www.DARCARS.com

1 April 2011

To Whom it May Concern:

My name is Tamara Darvish, and I am Vice President of DARCARS Automotive Group (a private family owned and operated chain of 34 automotive franchises in the Greater Washington area. Briefly, our company was founded in 1977, and currently we employ 1950 people in the area including Montgomery, Prince Georges, Fairfax, Baltimore, Frederick, and St. Mary's counties. Our total gross payroll in the area exceeded $87 million in 2010. Annually, we serve over 500,000 "Washingtonians" who live and or work in one of the many counties that we serve.

We are writing with great concern of the proposed "Market Modification" which would only artificially change the make up of our local markets. Greater Washington, including the counties listed above in addition to others, truly comprises of only one "region," and therefore this proposal would cause great economic impact and disruption not only to retail businesses and media outlets but would also create great confusion and disadvantage to the residents and consumers in this market. More specifically, this action would be a detriment to our business community and the community at large. The Greater Washington region clearly requires a continued collaboration throughout the District of Columbia, Suburban Maryland, and Northern Virginia as they are all interdependent upon each other for residential, employment, retail, traffic, education and many other industries that affect our communities.

Please know that we would be pleased to participate in formal presentation of our statements complete with full accountability of our concerns. Please let us know if we can provide you with any additional information. In the meantime, we appreciate your attention to this most serious matter.

Sincerely,

Tamara C. Darvish
Vice President
DARCARS Automotive Group
tdarvish@darcars.com
Cell: 202/374-8321

Jerome Friedlander
Jan Strompf

April 1, 2011

My company is Janjer Enterprises Inc, and we own and operate Popeyes restaurants, one of the the largest local franchises of Popeyes in the Washington DC DMA. Our company owns and operates 29 locations; 21 (twenty-one) in Maryland, 7 (seven) in Virginia and 1 (one) in the District of Columbia. I am concerned and opposed to the proposition our local market becoming separated into 3 marketplaces in lieu of the existing combined tri-state DMA.

Our industry business model would be negatively impacted due to the overall goals inhibit the benefits of DMA advertising that currently enhances the traffic and sales for all of our locations, despite the variances of locations per state. By advertising separately in 3 distinct marketplaces, I will not have the ability to yield the best results for my business. Nor would my budgets allow the exposure necessary to impact all locations due to those variances. We would spend an inordinate amount of time and money to plan, place and maintain duplicate buys in 3 different states. This would be impossible an ineffective.

It is imperative to maintain our DMA to assure companies the coverage they need to be successful for multiple locations throughout the Washington DC, metro area.

Yours truly,

MBurke
Michael Burke
Director of Operations

Janjer Enterprises, Inc., 12150 Tech Road, Silver Spring, Maryland 20904 Phone 301.625.5920

Dear Sirs:

My company is Pivec Advertising, and we represent the Toyota Dealers Association of the Central Atlantic region. which is the largest local advertiser in the Washington DC DMA. Our Toyota group is vastly spread out over many different states, with no dealers in The District itself.

I want to speak out against the ridiculous idea to have our local market be chopped up into 3 distinct marketplaces, rather than keeping it as one large local DMA that it is.

Our industry business model would be so negatively impacted in so many, many ways. This change would present enormous problems for any commerce with multiple locations! It would certainly harm any company's success , and essentially damage our local economy.

I see this would create false information for measurement, and gross over -duplication of audiences.

We would spend an inordinate amount of time and money to plan, place and maintain duplicate buys in 3 different states. This would be impossible.

The need to keep our market as a DMA is exactly the reason why the local cable interconnects were formed, in order to make it easier, affordable, and reduce the time spent for companies to buy larger areas they required.

Thank you,

Donna Lee Peters

Media Director

PIVEC ADVERTISING

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NM STATE UNIVERSITY

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Department of Economics and International Business
New Mexico State University
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Kevin Lovell
General Manager—KVIA
4140 Rio Bravo
El Paso, TX 79902

Dear Mr. Lovell

I was contacted by Adrian Medina regarding the relationship between Las Cruces and El Paso. The general answer is that the two cities are highly interrelated economically. Economic growth in El Paso is a major determinate of the economic dynamics of Las Cruces. The expansion at Fort Bliss, for example, added about 1% per annum to growth in Las Cruces over the last five years. Much of the growth in our county has occurred in the southern part of the county, near the Texas-New Mexico border and is in response to economic developments in El Paso.

According to the 2000 census, about 15% of Las Cruces workers commute to El Paso for work. More people commute to work in El Paso than work for any one employer in Dona Ana County. In some sense, one could say that the largest employer in Las Cruces is El Paso. About 2% of El Paso workers commute to Las Cruces. In total, more than 20,000 people commute between the two cities.

Commuter data from the 2010 census is not yet available, but the pattern observed in 2000 is likely to have continued or even strengthened. While currently El Paso and Las Cruces are considered separate MSA, there is a good chance that when the 2010 commuting data is released, that El Paso and Las Cruces will be merged into a single MSA. (In the past the critical commuter rate for merging two metros into one statistical area has been 25%.)

I hope you find this information useful. If I can be of further help, please feel free to contact me.

Sincerely,

Christopher A. Erickson
Associate Professor of Economics
New Mexico State University

WILSON BINKLEY
Advertising & Marketing

March 31, 2011

Kevin Lovell
General Manager, KVIA-TV
4140 Rio Bravo
El Paso, TX 79902

Dear Mr. Lovell:
We have a professional responsibility to our clients in expressing our opposition to any modification currently being considered by the Federal Communications Commission (FCC) in regard to the DMA boundaries currently in place for the El Paso (Las Cruces), TX, television market.

The geography and sparse population of New Mexico and West Texas have created a unique market with a closely tied, common economy. The existing DMA correlates to the area's natural and long-established retail patterns. Unwarranted government manipulation of these patterns will negatively impact the ability of regional businesses to market their products and services effectively and efficiently.

Las Cruces and Doña Ana County have over 209,000 residents (2010 U.S. Census Data), which makes it the second-largest county and city in New Mexico. However, as Las Cruces is located approximately 40 miles north of El Paso, residents of both El Paso and Las Cruces move freely between the two communities. These consumers go to the same restaurants, shop at the same stores and buy cars from the same dealerships. Businesses can advertise and promote their services and products to the combined market by buying a single television market: El Paso (Las Cruces).

Albuquerque is located approximately 225 miles north of Las Cruces. The vast majority of the time, for most decisions, local consumers do not interact with businesses that far away. Las Cruces viewers would not only be subject to messages primarily addressed to the Albuquerque DMA, the local advertisers would have to buy media in both El Paso and Albuquerque to reach the local audience, which is not economically feasible.

Wilson Binkley Advertising and Marketing is the largest full-service advertising agency in Southern New Mexico. We represent a wide range of regional advertising clients, including a large automotive group and a major financial institution. Both of these businesses attract customers from El Paso, Las Cruces and the surrounding area, and their marketing efforts do not take the state line into consideration, just as their customers don't. We place media buys with local stations within the DMA, because it wouldn't make sense to pay higher rates in big broadcast markets hundreds of miles away delivering an audience that is largely wasted.

The effects of such an arbitrary decision would promise long-term harm to Las Cruces, Doña Ana County, and even El Paso. Advertisers would have to look at more efficient ways to promote their businesses, and abandon their television media budgets. Las Cruces would be most affected, with Las Cruces advertisers faced with having to buy both El Paso and Albuquerque television to reach the same DMA as before. Many would be forced to abandon the local market, seek alternative (and less efficient) media, or 'go dark' to cut costs. As advertising is reduced, the business will slow, and jobs are likely to be lost at both the retail level and at local media properties. At a time when small business is struggling to face the new economic realities, this would represent another roadblock to growth.

Duplicating programming within the DMA doesn't serve the best interests of the viewers or the local economy. When reviewing the arbitrary nature of political borders on a map, we hope that the FCC considers the reality of organic retail markets and consumer patterns. For all intents and purposes, Las Cruces and El Paso are two markets inextricably linked, and to force an artificial separation on the DMA would be inadvisable in the extreme.

If any further input is needed, please don't hesitate to contact my offices.

Sincerely,

Ken Binkley

Ken Binkley
Partner

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250 Cotorro Court • Las Cruces, NM 88005

March 31, 2011

Brenda De Anda-Swann
News Director
KVIA-TV
El Paso, TX 79912

Ms. De Anda-Swann,

I have learned that the Federal Communications Commission (FCC) is considering allowing cable and satellite companies to carry signals from TV stations outside local markets, such as the El Paso/Las Cruces market. As a former news director at two El Paso affiliates and a longtime resident of Las Cruces, I can attest that when it comes to TV news coverage of southern New Mexico, we here depend almost exclusively on El Paso TV stations. KVIA-TV in particular, which has a full-time news bureau in Las Cruces, provides excellent coverage of southern New Mexico, unlike stations in Albuquerque that focus primarily on the northern part of the state. Little to no southern New Mexico news appears on Albuquerque TV newscasts. Allowing carriage of TV stations outside our area would be of no benefit to residents here. I believe it would only add to channel clutter.

Las Cruces and El Paso are in essence one metroplex, dependent on each other economically, socially and culturally. It only stands to reason that we receive TV coverage of local news from El Paso TV stations. I'm for leaving things as they are.

Please feel free to forward this letter to the FCC if you deem it worthy. Thank you.

Yours truly,

Udell Vigil
Las Cruces, NM resident

March 10, 2011

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, D.C. 20554

Dear Ms. Dortch,

There is no question in my mind that the existing television market system is of significant benefit economically to our region. Quincy, Illinois is the largest city in a 100-mile radius and serves as a regional hub for over 600,000 people. The Tri-State Development Summit is a three state, 35-county initiative that brings together area leaders to address common issues and improve the quality of life of the entire region through economic development activities.

Both WGEM-TV, the NBC affiliate, and KHQA-TV, the CBS affiliate, play an integral role in the tri-state region of western Illinois, southeast Iowa and northeast Missouri. They provide leadership, public service, news and weather coverage and emergency alerts. The stations and their employees are strong community supporters. WGEM-TV and its parent company helped start the Tri-State Development Summit and the Community Foundation of the Quincy Area. KHQA-TV has been involved in an awareness campaign to help boost the regional economy.

Without these stations, our area would not be able to maintain a regional mentality and economic growth at its current level. Anything that negatively impacts the existing television market system would have significant negative economic and quality of life consequence for us.

Sincerely,

Jim Mentesti
Tri-State Development Summit Facilitator
Great River Economic Development Foundation President