

# NATIONAL ASSOCIATION OF BLACK OWNED BROADCASTERS

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September 9, 2013

The Honorable Mignon Clyburn  
Acting Chairwoman  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

**Re: MB Docket No. 09-182 (2010 Quadrennial Review), MB Docket  
No. 07-294 (Diversification of Ownership)**

Dear Chairwoman Clyburn:

The National Association of Black Owned Broadcasters, Inc. ("NABOB") requests that the Commission scrutinize each of the broadcast transactions listed below to determine what impact each will have on diversity of ownership in the broadcast industry, and, in particular, to determine what impact each will have on minority ownership in the broadcast industry. As the Commission considers in this proceeding whether its ownership rules have negatively impacted minority ownership, and whether further relaxation of those rules will further negatively impact minority ownership, the ongoing consolidation of ownership demonstrated below undermines the Commission's ability to promote any improvement in minority ownership in this proceeding.

In radio, within the past year, no less than 20 radio stations that were owned by African Americans were forced into bankruptcy by their lenders and have subsequently been sold to non-minority purchasers. The failure of these lenders to reach out to minority purchasers, particularly in light of the anemic

pace for sales to minorities in general, suggests that radio has regressed back to the pre-1978 days, when minorities were never given an opportunity to participate as station owners. The potential impact on the African American community cannot be overstated. We are losing our voices, sale by sale.

Now, the television trading market has become red-hot, but virtually no African American or other minority owned companies are showing up as buyers in the television trading frenzy either. Instead, the station trading picture looks much like it did in 1978, before the Commission established the minority tax certificate. Among recent deals announced are:

- \$985 Million Sinclair Broadcast Group acquisition of 7 TV stations from Allbritton Communications
- \$373 Million Sinclair acquisition of 19 TV stations and 3 radio stations from Fisher Communications
- \$370 Million Sinclair acquisition of 18 stations and 6 SSA<sup>1</sup> stations from Barrington Broadcast Group
- \$115 Million Sinclair acquisition of Titan Television Broadcast Group's 4 TV stations and 2 LMA TV stations
- \$2.2 Billion Gannett Company acquisition of 20 TV stations and 7 LMA stations from Belo Corporation
- \$2.7 Billion Tribune acquisition of 19 TV stations from Local TV Co.
- \$270 Million Nexstar acquisition of 19 TV stations from Communications Corporation of America
- Media General's 18 TV stations are merging with Young Broadcasting's 12 TV station resulting in a company with \$605 Million in revenues

These transactions will clearly exacerbate the dearth of minority owners in the industry and increase the excessive consolidation of the industry that Congress and the FCC have allowed to occur for more than a decade.

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<sup>1</sup> Several of these transactions include announced LMAs (Local Marketing Agreements) and SSAs (Shared Services Agreements). LMAs and SSAs allow operators to program stations where the FCC's ownership rules do not permit the operators to own the stations. NABOB has long opposed such arrangements, because they often result in sham transactions in which the titular owner exercises no actual control.

The Honorable Mignon Clyburn

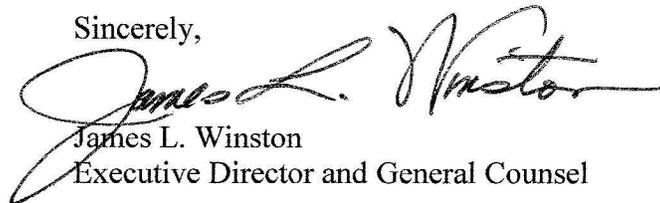
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Free Press and the Institute for Public Representation at Georgetown Law School have already filed an *ex parte* notice in this proceeding asking that the Commission look at specific issues in the Gannett-Belo and Tribune-Local TV transactions.<sup>2</sup>

NABOB urges the Commission to consider the potential impact of this entire string of large transactions on minority ownership. We ask that the Commission take a very close look at the impact a grant of each application would have on the public interest, and in particular the impact on diversity of ownership among minorities. As you know only too well, the Commission has been without a minority ownership policy for almost two decades. As a result, we see the number of minority station owners continue to dwindle. The Commission must adopt meaningful policies in this proceeding to turn back the tide that is sweeping away minority ownership in the broadcast industry.

Sincerely,

A handwritten signature in black ink, appearing to read "James L. Winston". The signature is fluid and cursive, with the first name "James" being particularly prominent and stylized.

James L. Winston

Executive Director and General Counsel

cc: The Honorable Jessica Rosenworcel  
The Honorable Ajit Pai

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<sup>2</sup> Free Press and the Institute for Public Representation at Georgetown Law School, *Ex parte* Notice, August 29, 2013.