

MASSACHUSETTS
40 main st, suite 301
florence, ma 01062
tel 413.585.1533
fax 413.585.8904

WASHINGTON
1025 connecticut ave. nw, suite 1110
washington, dc 20036
tel 202.265.1490
fax 202.265.1489



December 5, 2013

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 Twelfth Street, SW
Washington, DC 20554

Re: MB Docket No. 09-182, 2010 Quadrennial Regulatory Review — Review of the Commission’s Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996

Dear Ms. Dortch,

On Tuesday December 3rd, I met with Maria Kirby, Legal Advisor to Chairman Wheeler.

During the meeting I discussed some of the contents contained in a letter from Free Press Policy Director Matthew F. Wood, sent to Chairman Wheeler on December 3rd.

I discussed the use of so-called “outsourcing agreements” by some broadcasters and Free Press’ concern that many of these arrangements are nothing more than legal fictions designed specifically to evade the Commission’s broadcast ownership rules. I noted that outsourcing agreements come in a variety of forms. At one end of the spectrum there are outsourcing arrangements that involve a licensee producing the local news broadcasts for one or more competing in-market stations, where the licensee retains operational control over the station. At the other end of the spectrum are arrangements that involve one owner *exclusively* controlling every aspect of another licensee’s operations. I noted that in this latter category, there is more than ample evidence to strongly indicate that these arrangements involve the operator exercising *de facto* control over the license, in violation of the Communication Act and the Commission’s rules.

In the meeting Ms. Kirby asked me about the prevalence and geographic distribution of outsourcing agreements. Attached to this letter is a table that presents a comprehensive list of all the Designated Market Areas (DMAs) where one or more outsourcing arrangements exist that involve one company controlling the operation of another licensee’s in-market station (*i.e.* this list does not include instances where one company’s involvement with a competing station is limited to just the production of local news broadcasts).¹

As the table shows, there are 118 DMAs where one company operates another licensee’s station.

¹ This list includes all existing arrangements as well as pending acquisitions that have been publicly

Of these 118 markets, there are 97 markets where outsourcing agreements are used to evade the Commission's multiple ownership rules, based on the so-called "8 voices test."² There are 80 markets where outsourcing agreements are used to evade the Commission's multiple ownership rules concerning co-ownership of two or more top-four ranked stations.³ Finally, there are five markets where outsourcing agreements are used to evade the Commission's newspaper broadcast cross-ownership rule.⁴ In total, there are 103 markets where outsourcing agreements are used to evade one or more of the Commission's broadcast ownership rules, equating to nearly half of the 210 U.S. media markets.

Sincerely,

/s/

S. Derek Turner
Research Director
Free Press
dturner@freepress.net

cc (via email):
Maria Kirby

[ATTACHMENT BEGINS ON NEXT PAGE]

² 47 C.F.R. § 73.3555(b)(1)(ii).

³ 47 C.F.R. § 73.3555(b)(1)(i).

⁴ 47 C.F.R. § 73.3555(d).

Markets with one or more operational outsourcing agreements (DMA 1 to 50)

| Market Rank | Market | Markets Where OSA is Used to Evade Multiple Ownership Rule (8 voices test) | Markets Where OSA is Used to Evade Multiple Ownership Rule (Top-4 Ranked) | Market Where OSA is Used to Evade Newspaper-Broadcast Cross-Ownership Rule |
|-------------|---|--|---|--|
| 1 | New York, NY | | | |
| 2 | Los Angeles, CA | | | |
| 4 | Philadelphia, PA | | | |
| 6 | San Francisco-Oakland-San Jose, CA | | | |
| 7 | Boston, MA (Manchester, NH) | | | |
| 8 | Washington, DC (Hagerstown, MD) | | | |
| 9 | Atlanta, GA | | | |
| 10 | Houston, TX | | | |
| 13 | Phoenix (Prescott), AZ | | | ✓ |
| 14 | Tampa-St. Petersburg (Sarasota), FL | | | |
| 17 | Denver, CO | | | |
| 19 | Orlando-Daytona Beach-Melbourne, FL | | | |
| 21 | St. Louis, MO | ✓ | ✓ | |
| 22 | Portland, OR | ✓ | | |
| 27 | Baltimore, MD | ✓ | | |
| 29 | Nashville, TN | | | |
| 32 | Columbus, OH | ✓ | ✓ | |
| 33 | Salt Lake City, UT | | | |
| 35 | Cincinnati, OH | ✓ | | |
| 36 | San Antonio, TX | | ✓ | |
| 37 | Greenville-Spartanburg, SC-Asheville, NC-Anderson, SC | ✓ | | |
| 38 | West Palm Beach-Ft. Pierce, FL | ✓ | | |
| 40 | Las Vegas, NV | | | |
| 42 | Birmingham (Anniston and Tuscaloosa), AL | ✓ | | |
| 43 | Harrisburg-Lancaster-Lebanon-York, PA | ✓ | ✓ | |
| 44 | Norfolk-Portsmouth-Newport News, VA | | | ✓ |
| 45 | Austin, TX | ✓ | | |
| 47 | Albuquerque-Santa Fe, NM | | | |
| 48 | Louisville, KY | ✓ | | ✓ |
| 50 | Jacksonville, FL | ✓ | ✓ | |

[CONTINUES ON NEXT PAGE]

Markets with one or more operational outsourcing agreements (DMA 51 to 100)

| Market Rank | Market | Markets Where OSA is Used to Evade Multiple Ownership Rule (8 voices test) | Markets Where OSA is Used to Evade Multiple Ownership Rule (Top-4 Ranked) | Market Where OSA is Used to Evade Newspaper-Broadcast Cross-Ownership Rule |
|-------------|---|--|---|--|
| 53 | Providence, RI-New Bedford, MA | ✓ | ✓ | |
| 54 | Wilkes Barre-Scranton-Hazleton, PA | ✓ | ✓ | ✓ |
| 55 | Fresno-Visalia, CA | ✓ | ✓ | |
| 56 | Little Rock-Pine Bluff, AR | ✓ | ✓ | |
| 57 | Richmond-Petersburg, VA | ✓ | | |
| 58 | Albany-Schenectady-Troy, NY | ✓ | ✓ | |
| 60 | Mobile, AL-Pensacola (Ft. Walton Beach), FL | | ✓ | |
| 62 | Ft. Myers-Naples, FL | ✓ | ✓ | |
| 63 | Dayton, OH | ✓ | ✓ | |
| 65 | Charleston-Huntington, WV | ✓ | ✓ | |
| 66 | Wichita-Hutchinson, KS Plus | ✓ | | |
| 67 | Flint-Saginaw-Bay City, MI | ✓ | ✓ | |
| 70 | Tucson (Sierra Vista), AZ | ✓ | ✓ | ✓ |
| 71 | Honolulu, HI | | ✓ | |
| 74 | Springfield, MO | ✓ | ✓ | |
| 75 | Omaha, NE | ✓ | | |
| 76 | Toledo, OH | ✓ | ✓ | |
| 78 | Rochester, NY | ✓ | ✓ | |
| 80 | Portland-Auburn, ME | ✓ | ✓ | |
| 81 | Paducah, KY-Cape Girardeau, MO-Harrisburg, IL | ✓ | | |
| 82 | Shreveport, LA | ✓ | ✓ | |
| 83 | Champaign & Springfield-Decatur, IL | ✓ | ✓ | |
| 84 | Syracuse, NY | ✓ | | |
| 87 | Chattanooga, TN | ✓ | | |
| 90 | Cedar Rapids-Waterloo-Iowa City & Dubuque, IA | | ✓ | |
| 92 | Savannah, GA | ✓ | ✓ | |
| 93 | Jackson, MS | ✓ | ✓ | |
| 94 | Baton Rouge, LA | ✓ | ✓ | |
| 96 | Tri-Cities, TN-VA | ✓ | ✓ | |
| 97 | Burlington, VT-Plattsburgh, NY | ✓ | ✓ | |
| 98 | Charleston, SC | ✓ | ✓ | |
| 100 | Greenville-New Bern-Washington, NC | ✓ | ✓ | |

[CONTINUES ON NEXT PAGE]

Markets with one or more operational outsourcing agreements (DMA 101 to 150)

| Market Rank | Market | Markets Where OSA is Used to Evade Multiple Ownership Rule (8 voices test) | Markets Where OSA is Used to Evade Multiple Ownership Rule (Top-4 Ranked) | Market Where OSA is Used to Evade Newspaper-Broadcast Cross-Ownership Rule |
|-------------|---|--|---|--|
| 101 | Ft. Smith-Fayetteville-Springdale-Rogers, AR | ✓ | ✓ | |
| 102 | Johnstown-Altoona-State College, PA | ✓ | ✓ | |
| 103 | Myrtle Beach-Florence, SC | ✓ | ✓ | |
| 104 | Evansville, IN | ✓ | ✓ | |
| 105 | Lincoln & Hastings-Kearney, NE | ✓ | ✓ | |
| 106 | Tallahassee, FL-Thomasville, GA | ✓ | ✓ | |
| 107 | Tyler-Longview(Lufkin & Nacogdoches), TX | ✓ | ✓ | |
| 108 | Reno, NV | ✓ | ✓ | |
| 109 | Ft. Wayne, IN | ✓ | ✓ | |
| 110 | Youngstown, OH | ✓ | ✓ | |
| 113 | Augusta, GA-Aiken, SC | ✓ | ✓ | |
| 115 | Lansing, MI | ✓ | | |
| 116 | Peoria-Bloomington, IL | ✓ | ✓ | |
| 117 | Fargo-Valley City, ND | ✓ | ✓ | |
| 118 | Montgomery-Selma, AL | ✓ | ✓ | |
| 119 | Traverse City-Cadillac, MI | ✓ | ✓ | |
| 121 | Eugene, OR | ✓ | ✓ | |
| 122 | Santa Barbara-Santa Maria-San Luis Obispo, CA | ✓ | ✓ | |
| 125 | Monterey-Salinas, CA | ✓ | | |
| 127 | Columbus, GA (Opelika, AL) | ✓ | ✓ | |
| 129 | Corpus Christi, TX | ✓ | | |
| 130 | Amarillo, TX | ✓ | ✓ | |
| 131 | Chico-Redding, CA | ✓ | ✓ | |
| 132 | Wilmington, NC | ✓ | ✓ | |
| 133 | Columbus-Tupelo-West Point-Houston, MS | ✓ | ✓ | |
| 135 | Rockford, IL | ✓ | ✓ | |
| 136 | Topeka, KS | ✓ | ✓ | |
| 137 | Monroe, LA-El Dorado, AR | ✓ | ✓ | |
| 139 | Duluth, MN-Superior, WI | ✓ | ✓ | |
| 140 | Medford-Klamath Falls, OR | ✓ | ✓ | |
| 141 | Beaumont-Port Arthur, TX | ✓ | ✓ | |
| 142 | Lubbock, TX | ✓ | ✓ | |
| 143 | Wichita Falls, TX & Lawton, OK | ✓ | ✓ | |
| 145 | Anchorage, AK | ✓ | ✓ | |
| 146 | Erie, PA | ✓ | ✓ | |
| 147 | Sioux City, IA | ✓ | ✓ | |
| 149 | Joplin, MO-Pittsburg, KS | ✓ | ✓ | |

[CONTINUES ON NEXT PAGE]

Markets with one or more operational outsourcing agreements (DMA 151 to 210)

| Market Rank | Market | Markets Where OSA is Used to Evade Multiple Ownership Rule (8 voices test) | Markets Where OSA is Used to Evade Multiple Ownership Rule (Top-4 Ranked) | Market Where OSA is Used to Evade Newspaper-Broadcast Cross-Ownership Rule |
|-------------|--|--|---|--|
| 151 | Minot-Bismarck-Dickinson (Williston), ND | ✓ | | |
| 152 | Odessa-Midland, TX | ✓ | ✓ | |
| 153 | Rochester, MN-Mason City, IA-Austin, MN | ✓ | ✓ | |
| 154 | Terre Haute, IN | ✓ | ✓ | |
| 157 | Binghamton, NY | ✓ | ✓ | |
| 162 | Idaho Falls-Pocatello, ID (Jackson, WY) | ✓ | ✓ | |
| 163 | Gainesville, FL | ✓ | ✓ | |
| 164 | Abilene-Sweetwater, TX | ✓ | ✓ | |
| 165 | Yuma, AZ-El Centro, CA | ✓ | | |
| 168 | Billings, MT | ✓ | ✓ | |
| 172 | Utica, NY | ✓ | ✓ | |
| 185 | Grand Junction-Montrose, CO | ✓ | ✓ | |
| 188 | Greenwood-Greenville, MS | ✓ | ✓ | |
| 194 | Eureka, CA | ✓ | ✓ | |
| 196 | San Angelo, TX | ✓ | ✓ | |
| 200 | Ottumwa, IA-Kirksville, MO | ✓ | | |
| 202 | Fairbanks, AK | ✓ | ✓ | |
| 204 | Victoria, TX | ✓ | ✓ | |
| 206 | Helena, MT | ✓ | | |

[END OF DOCUMENT]