

January 15, 2014

VIA ECFS

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

RE: Notice of *Ex Parte* Communication in GN Docket No 12-268

Dear Madam Secretary,

On January 13, 2014, Brett Jenkins, the Vice President/Chief Technology Officer of LIN Television Corporation d/b/a LIN Media (“LIN”), and I met with members of the Commission’s Incentive Auction Task Force, as indicated in Exhibit A. All individuals listed in Exhibit A are CC’d hereto.

Mr. Jenkins and I reiterated themes from LIN’s previous comments in this docket,¹ namely that LIN believes that the Commission should ensure transparency, cultivate certainty, and not choose winners and losers in this proceeding.

We explained that LIN believes that the scoring mechanisms the Commission will utilize in the auction and repacking process must be made publicly available early in the process in a transparent manner. Mr. Jenkins noted that the release of the TVStudy software did not yet include scoring mechanisms and that such information was required for a thorough analysis by affected industries. Both Mr. Jenkins and I noted the importance of low power television stations, especially in rural areas, and encouraged the Commission to protect LPTV stations in the auction and repacking process.

We also briefly discussed the need for the Commission to treat the broadcast and wireless industries fairly in terms of auction timelines, buildout deadlines, international coordination, and ownership rules.

In response to questions from Task Force member, Mr. Jenkins described some impediments to LIN’s attempts to analyze auction scenarios, including pricing questions, auction design questions, and timing of the Next Generation ATSC standard. We also reiterated LIN’s belief that both the incentive auction and repacking must take into account long-term costs like leases.

Mr. Jenkins and I suggested that ownership relief could provide an incentive for channel sharing, and noted operational difficulties of unrelated third-party channels sharing. LIN also reiterated its support for flexible use waivers from the Spectrum Act. We concluded with a discussion on the technical limitations of VHF and LIN’s belief that broadcasters have opportunities to be innovative if given flexible use opportunities.

We provided no written materials. Please contact me if you have any questions about this submission.

¹ Comments of LIN Television Corporation d/b/a LIN Media, GN Docket 12-268 (filed January 25, 2013).

Very truly yours,



Joshua N. Pila

CC: Exhibit A Attendees

Exhibit A

Dorann Bunkin

Mark J. Colombo

Martha Heller

Shabnam Javid

Sean Yun

Barbara Kreisman

Edward Smith

Gary Epstein

Pamela Gallant

Mary Margaret Jackson

Sarah Whitesell

Bill Lake

Martin Doczkat

Evan Morris



January 13, 2014

Federal Communications Commission

Vincent Sadusky, President/Chief Executive Officer

Rebecca Duke, Vice President Distribution

Brett Jenkins, Vice President/Chief Technology Officer

Joshua Pila, Senior Counsel

About LIN Media

- Owns/Services 43 TV Stations and 7 Digital Channels in 23 markets
- 7 Sharing Arrangement Markets
- Portfolio of Digital Businesses
- Believes Strongly in Localism, Diversity, and Competition



*Sharing Arrangements: Providence, Austin, Albuquerque, Savannah, Topeka, Youngstown, Dayton

Committed to Localism



➤ Award-Winning Newsrooms

- Providence: "Feel The Burn" (AP Award)
- Indianapolis: HPV Vaccine Investigation (Emmy)

➤ Strengthening Our Communities

- Topeka: Launched First Veteran's Day Parade
- Hawaii: KHON Goes Pink for Local Hospital
- PSAs – e.g., Savannah WCJL/WTGS Civil Rights PSAs
- Public Interest Benefits of Sharing Arrangements (Attached)
 - Local Sports, Weather, and Politics

Driving Diversity

- Minority Scholarship Program
- CW Star – Alternative Route to TV
- Females and Minorities in Management



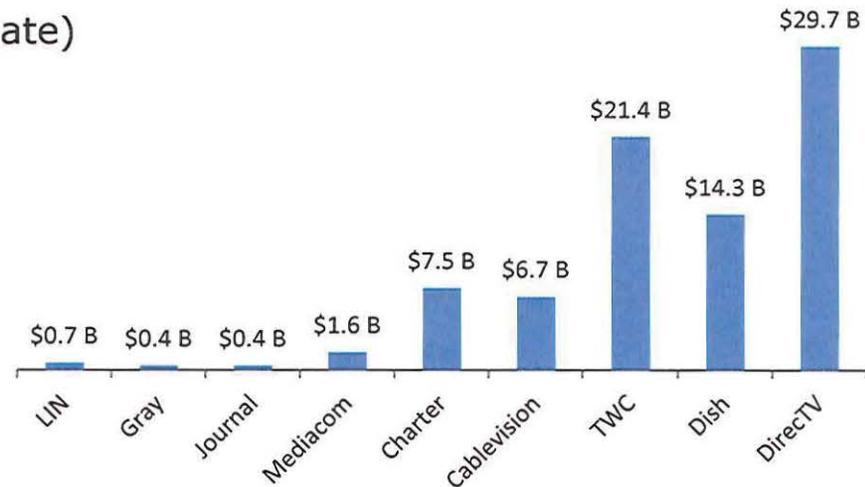
Competing with Less Regulated Sources

- We Compete With Largely Unregulated MVPDs, Internet, and Newspapers
- Outdated Media Ownership Limits Must be Reformed
- MVPDs Face Less Competition than Broadcasters
 - Franchising
 - No Ownership Limits
 - MVPDs Jointly Negotiate and Sell Local Ads (Interconnects)
 - Indianapolis – Comcast Spotlight sells for Comcast, Bright House, AT&T, DirecTV (58% of subs).

Scale is Necessary

➤ Broadcast TV is the Smaller Player (Annual Revenues)

- LIN: ~\$661 Million (2013 Forecast)
- Gray: ~\$405 Million (2012)
- Journal: ~\$400 Million (2012)
- Mediacom: ~\$1.6 Billion (2013 Estimate)
- Charter: ~\$7.5 Billion (2012)
- Cablevision: ~\$6.7 Billion (2012)
- Time Warner: ~\$21.4 Billion (2012)
- Dish Network: ~\$14.3 Billion (2012)
- DirecTV: ~\$29.7 Billion (2012)



- Cash Flow Profit Margins: Cable = 41%, Broadcast = 19% (Deadline.com)
- Broadcast Ratings v. Fees Shows Uneven Marketplace Rebalancing

Big 4 vs Cable Networks: Ratings and Sub Fees

Channel	Ratings*	Per Sub Fee**	Per Sub Fee Per Rating Point
Big 4 Stations	2.6	\$0.60^	\$0.23
ESPN	1.0	\$5.54	\$5.54
NICKELODEON	1.0	\$0.62	\$0.62
FOX NEWS CHANNEL	0.9	\$0.94	\$1.04
USA	0.9	\$0.71	\$0.79
NICK AT NIGHT	0.8	\$0.62	\$0.78
HALLMARK	0.7	\$0.06	\$0.09
TNT	0.7	\$1.33	\$1.90
HISTORY	0.6	\$0.26	\$0.43
CARTOON NETWORK	0.6	\$0.21	\$0.35
A&E	0.5	\$0.29	\$0.58
AMC	0.5	\$0.33	\$0.66
HGTV	0.5	\$0.17	\$0.34
TBS	0.5	\$0.62	\$1.24
DISCOVERY	0.4	\$0.37	\$0.93
FOOD NETWORK	0.4	\$0.19	\$0.48

*HH Sign on/Sign off November '13, 15 highest rated cable networks and average of B4 broadcast stations (NBC, ABC, CBS, FOX).

**SNL Kagan TV Network Summary – Affiliate Revenue Per Average Subscriber Per Month, 2013.

^2013 Average Monthly Gross Retransmission Rate per Big 4 Network Household from Morgan Stanley, Media / Cable & Satellite Re-Transforming Network TV, December 12, 2013 (Summary of industry retransmission revenue assumptions - page 21).

Scale Serves the Public Interest

- MVPDs Trying to Use Size and Competitive Position to Create a Problem
- DC Involvement Favors Big MVPDs
 - SNL Kagan Reports 89% of 2013 Disputes by TWC/DISH/DIRECTV
 - More Resources and Diversion from Negotiations
- BUT:
 - Sharing Arrangements Long Approved by FCC
 - No Statutory Authority for Forced Carriage
 - First Amendment Concerns

Spectrum

- Met With Task Force This Morning
 - Transparency
 - Certainty
 - Don't Pick Winners and Losers

Sharing Arrangements Benefit the Public



Providence, RI; #53 DMA

- Launched local community talk show: Dan Yorke's "State of Mind"
- Added live political debates
- Airs "Newsmakers" with two top investigative reporters



Savannah, GA; #92 DMA

- Broadcasts St. Patrick's Day & MLK Day Parades live
- Started "Famous Firsts" civil rights PSAs
- Airs Georgia Southern University and Savannah State University sports



Youngstown, OH; #113 DMA

- Airs different newscasts with different anchors at same time as LIN-owned WKBN
- Added live high school & Youngstown State University basketball games
- Launched local sports pre-game shows



Austin, TX; #40 DMA

- 30-sec. vignettes about local entertainment scene six times a day
- New morning newscast
- Unbuilt station before LIN involved



Topeka, KS; #134 DMA

- Became lead sponsor and promoter of First Annual Topeka Veterans Day Parade
- Increased donations to local non-profit groups to record levels
- Provided new weather and tornado tracking tools not previously available to KTKA



Dayton, OH; #64 DMA

- Increased localism with "CW Star" personality
- New CW-themed creative department with new facilities
- Added Bounce African-American multicast network



Albuquerque, NM; #47 DMA

- New hourly weather inserts
- Investments in HD and statewide distribution (e.g., additional translators for rural areas)
- Relaunching website with local community content



- All SSAs/JSAs passed upon by FCC in long-form apps
- Ownership reports for all Grandfathered LMAs