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FCC Mail Room

VIA FACSIMILE

March 12, 2014

The Honorable Tom Wheeler
Chairman
Federal Communications Commission
445 Twelfth Street S.W.
Washington, D.C. 20554

Re: Ex Parte Notice. 2010 Quadrennial Regulatory Review, MB Docket No. 09-182. Diversification of Ownership in the Broadcasting Services, MB Docket No. 07-294.

Dear Chairman Wheeler:

The National Association of Broadcast Employees and Technicians-CWA (NABET-CWA) and the Communications Workers of America (CWA) applaud your efforts to promote diversity and competition in media with rules that limit the ability of broadcasters to get around Commission ownership rules by creating shell/sidecar companies and shared service agreements that effectively merge the operations of two or more separately licensed stations.

Management arrangements, including both joint service agreements (JSAs) and shared services agreements (SSAs), that consolidate two or more separately licensed television stations into a single operating unit limit the competition and diversity in media that is so essential to our democracy, and lead to significant job reduction. After all, when two or more stations combine, employees at one of the stations are no longer needed. According to a recent academic study, "these arrangements have invariably resulted in a loss of jobs in at least one of the stations involved in the agreement." [1]

NABET-CWA knows from painful experience that collapsing two or more separate news operations into one kills jobs. NABET-CWA represents 9,000 workers in the broadcast industry. CWA represents 700,000 workers in communications, media, airlines, manufacturing, and public service. We cite a few examples from our recent experience:

- **Syracuse NY and Peoria IL.** Barrington Broadcasting (now Nexstar) and Granite Broadcasting entered into a shared services agreement in 2009. Barrington and Granite

[1] *See* Danilo Yanich, "Local TV News and Service Agreements: A Critical Look," University of Delaware: Center for Community Research and Service, 2011, page 102.

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agreed to swap and combine news operations in these two cities. In Peoria, Granite took control of Barrington's operations at WHOI, and now runs three stations there, WHOI, WWEK, and WAOE. Thirty workers were laid-off. In Syracuse, Barrington took control of Granite's operations at WTVH, and now runs WTVH, WSTM and WSTQ. As a result of this shared service agreement, 40 workers at WTVH lost their jobs. Laid-off employees included the entire news operation of on-air reporters, anchors, newswriters, producers, news photographers, editors, and broadcast technicians. The Syracuse and Peoria markets also lost a competing and different point of view in news coverage as newscasts are now simulcast on the CBS and NBC stations.

- **Honolulu, Hawaii.** Raycom, which already owned and operated two television stations in Honolulu, entered into a series of agreements in 2009 with a third station, swapped call-signs and ended up directly owning (in contravention of FCC rules) both KHNL and KGMB, the NBC and CBS affiliates, and operating a third television station KFVE. KFVE, a MyNetwork affiliate, is currently licensed to Hawai`i Television, but is in the process of being transferred to American Spirit, a company that has six other sharing arrangements with Raycom. Raycom produces local news for all three Honolulu stations under the name of Hawai`i News Now. This includes seventeen hours per week of identical programming shown on KHNL and KGMB. However, even the local programming that Hawai`i News Now produces "exclusively" for one or another station includes the same stories, same interviews, same graphics, and in some cases even the same anchors. Nearly 70 employees between the three stations have been laid off because of this transaction. The viewing public is harmed by the loss of an independent news voice and a reduction in competition between formerly competing news operations.

- **Youngstown OH.** In 2006, New Vision Television (NVT) purchased WKBN and its sidecar company, Parkin Communications, purchased WYTV. New Vision Television closed down the WYTV facility and moved all operations to WKBN. The net result of the combination was a loss of 30 full-time jobs. Today, the joint services arrangement continues, although under different ownership. (In 2011 LIN purchased WKBN and Vaughan Media LLC purchased WYTV.)

- **Erie PA.** Lilly Broadcasting LLC owns both WICU and WSEE. In 2009, the company merged all WSEE operations into WICU. Lilly then eliminated all 35 off-air WSEE employees. The WSEE news programming is taped in advance and includes simulcasts of WICU's news program, essentially eliminating any competition and independence for the WSEE news operation.

- **Wilkes-Barre/Scranton PA.** Nexstar and Mission entered into a shared services agreement. The news operation at Nexstar's station, WBRE, was combined with Mission's at station WYOU. Nexstar combined master controls and laid off the WYOU News staff.

It is simply common sense that shared and joint service arrangements between two or more broadcast stations result in fewer employees gathering and producing the news. Such arrangements reduce the competition that is essential to quality journalism and to providing the diversity of voices that is the foundation of our democracy. The Commission is taking the right step by calling these arrangements what they are: an attempt to get around the Commission's ownership rules designed to preserve localism, diversity, and competition.

Sincerely,

James C. Joyce

Jim Joyce
President
National Association of Broadcast Employees and Technicians/CWA

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cc: Commissioner Mignon Clyburn
Commissioner Jessica Rosenworcel
Commissioner Ajit Pai
Commissioner Michael O'Rielly