

HOWARD UNIVERSITY

John H. Johnson School of Communications
Department of Journalism

March 23, 2014

The Honorable Tom Wheeler, Chairman
Federal Communications Commission
445 12th Street S.W.
Washington, DC 20554

Re: MB Docket No. 09-182, *2010 Quadrennial Review*
MB Docket No. 07-294, *Promoting the Diversification of Ownership in the Broadcast Services*

Dear Chairman Wheeler and Members of the Commission:

Our signature on the letter authored by Free Press expresses our significant opposition to broadcast media owners' ability to unlawfully control more than two televisions in a single market. SSA/JSA agreements are nothing more than end-runs around the rules limiting parent companies from owning only two stations per market. While these agreements have been allowed to exist since the late 1990s, the time for Commissioners to stop them is now.

The Free Press letter outlines the particular harm to people of color in the use of these agreements, in which wealthy, powerful companies succeed in getting smaller, less well-financed stations to let them assume control of their economic operations. This essentially cedes the smaller stations' management independence and ultimately results in *de facto* control of all phases of the smaller station's operations, including decisions about programming. Free Press accurately pointed to the urgency of FCC action **now** to stop these practices in that 2013 was the most active year to date for broadcast deals with nearly 300 stations sold. A majority of those then entered into joint management agreements, something that should be illegal and forbidden because in reality this represent further consolidation and monopoly arrangements. In the case of the only three Black-owned stations in the nation, the situation has become one where Sinclair (a white-majority company) controls stations' financial and programming operations through SSA/JSA agreements.

Less obvious or commented on in the present situation are the ways that these sham deals also affect **women broadcasters**. Recent research by Byerly (2011) noted that most of the 6% broadcast stations (radio and television) owned by women were in rural and other small-market areas and staying in business was an ongoing fiscal challenge, particularly during and after the



economic collapse in 2008. The courts have looked to ownership as the primary criterion for diversity in broadcast, and the law requires that broadcast stations, which are licensed in the public interest, serve the “public interest, convenience and necessity.” In reality, broadcast ownership is heavily tilted to men’s interests and therefore far from able to fulfill this legal obligation. The women broadcast owners and experts on the subject whom Byerly interviewed pointed to a hostile regulatory environment as a major factor preventing women’s greater ability to own and operate stations. They said that pressure was also felt from large, powerful companies wanting to buy them out. And, in fact, in the two years during which the author was conducting her study, a significant number of women sold their one- and two-station companies to Clear Channel or another major corporation. This pattern has continued till the present day.

The power of these same large, wealthy companies to overwhelm women’s control of broadcast stations can be seen in the situation with SSA/JSAs. In 2013, the most active year to date in the sales of television stations, Nexstar Broadcasting of Irving, Texas, took control of four stations in Little Rock, Arkansas owned by Ohio-based Mission Broadcasting, the largest woman-owned broadcast company in the nation. Two of the stations (KARK and KARZ) were purchased by Nexstar outright, while the other two (KLRT and KASN) were “acquired” through joint management agreements. Ms. Nancie Smith, with 20 years in broadcasting, came to her ownership of the Mission stations when her husband died a few years ago. Mission has been managed by Mr. Dennis Thatcher who has 40 years’ experience in broadcasting.

Although Nexstar and Mission first entered into a shared management arrangement for some of its stations in 1998, the present situation represents a virtual takeover of this women’s ownership through Nexstar’s extensive control of the Mission stations. We should make no mistake that takeover is precisely what has happened: In early February 2014, all of these stations were “consolidated” in the Victory Building in downtown Little Rock where Nexstar already had its stations’ operations. Nexstar, which fired 30 employees through these consolidations, is moving its own on-air talent to the Mission stations. Moreover, in December 2013, the Nexstar+Mission entity moved to acquire six more television stations in two markets. Five of these stations are Nexstar’s purchase from Gray Television Group and one station is Mission’s purchase from Excalibur. However, \$33.5 million of the \$37.5 million total purchase will be financed by Nexstar (*Businessweek* online, Dec. 20, 2013), something that illustrates who is moving these deals and who is most likely to benefit. These high stakes monopolistic deals are dizzying to track and understand and what we provide here is only a tiny glimpse of the larger picture. Our purpose is to illustrate the way that women’s ownership interests have been swept up – and away – in the power plays of wealthy (male-dominated) media conglomerates with the consent of the one agency that is meant to assure this doesn’t happen – the Federal Communications Commission.

We emphasize that the U.S. Justice Department has urged the FCC to stop these monopolistic practices, and we heartily second that motion. Minority and women broadcasters have both lost their properties – and hence, their voices – in these power plays by the powerful conglomerates. Covert consolidation, as the National Association of Black Journalists and others have called it, has also meant the loss of jobs (as demonstrated, for example, by the Nexstar-Mission deals).

When the Commission meets on March 31, we urge Commissioners to stop these subversive practices and to enforce its own media ownership rules.

Sincerely,
Howard Media Group
Women's Institute for Freedom of the Press
Free Press

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