



March 25, 2014

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

Re: *Ex Parte* Communication in MB Docket Nos. 09-182, 04-256, 10-71

Dear Ms. Dortch:

On Friday, March 21, 2014, Senator Gordon Smith of the National Association of Broadcasters and the undersigned met with Chairman Tom Wheeler, his Legal Advisor Maria Kirby and Media Bureau Chief William Lake. We discussed broadcasters' concerns about the proposals before the FCC to attribute television joint sales agreements (JSAs) for over 15 percent of inventory as an ownership interest, especially as combined with recently announced processing guidelines for television transactions involving sharing arrangements.

Senator Smith noted, as documented in prior NAB filings, that broadcast investment has been harmed by these announcements and that the ultimate result would be loss of services to the public. JSAs and other sharing arrangements clearly can produce public interest benefits. They allow local broadcasters to better serve their communities and promote the FCC's interests in localism and diversity.

JSAs help broadcasters compete in today's media landscape. Broadcasters face fierce competition for local advertising revenue from many sources including internet services and pay TV operations. As NAB has documented, pay TV providers in particular are engaging in joint selling arrangements to take a larger share of local advertising markets. Given this competition, one cannot simply assert that any JSA is anti-competitive. We urged the Chairman to step back and consider the proposed changes in light of larger marketplace realities.

We specifically noted that television JSAs and sharing arrangements are not a new phenomenon. In fact, the Commission has reviewed and approved many sharing arrangements. NAB's cursory review of the FCC's records since 2008 showed some 85 sharing deals in 66 different markets. Broadcasters have relied on this developed

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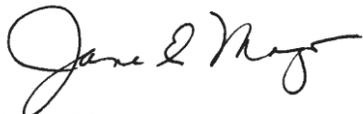
case law and the Commission must take that reliance into account in its decision making.

NAB also discussed the elements of the compromise proposal we made to Commissioner Clyburn on March 20. We emphasized that the proposal was not simply to codify current FCC practices. Rather, the proposal contains specific elements to address the Commission's stated concern that JSAs permit a form of de facto control that would not be permitted under current ownership rules. By including a requirement for transparency and focusing on elements of control related to programming, personnel and financing, the compromise would allow the Commission to address its concerns in a targeted manner. In addition, the compromise proposal allows licensees to make a showing that the arrangement will serve the public interest by enhancing localism and diversity.

In response to the Chairman's statement that the Commission could deal with individual situations through a waiver process, we argued that relying on waivers is not a viable solution. Waivers are inherently uncertain and likely to create obstacles to the investment needed to purchase or run a television station. Particularly with no timeframe for action, a waiver process would not serve the public interest.

Finally, we reiterated that the Commission should not move forward with changes to the TV attribution rules absent a holistic review of the local ownership rules.

Respectfully submitted,



Jane Mago  
Executive Vice President & General Counsel  
National Association of Broadcasters

cc: Chairman Wheeler  
Maria Kirby  
William Lake