



March 25, 2014

**Ex Parte**

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

Dear Ms. Dortch:

Re: Amendment of the Commission's Rules Related to Retransmission Consent; MB Docket No. 10-71

On Friday, March 21, 2014, Jeb Benedict (CenturyLink) and I met with Adonis Hoffman and Stefanie Frank of Commissioner Clyburn's office to discuss the above referenced Commission proceeding regarding reforms to the current retransmission consent framework. Kevin Kastor and Rob Koester (Consolidated Communications), and Chris Kyle (Shentel) participated in the meeting via conference call.

We expressed support for a proposal to prohibit two or more of the big four local broadcasters from banding together to jointly negotiate retransmission consent agreements and to adopt a rebuttable presumption that other station combinations within a market violate the FCC's good faith negotiating requirement. We emphasized the record evidence in this proceeding demonstrating the prevalence of such agreements, as well as their negative impact on consumers and competition, particularly by grossly inflating the cost of local broadcast content.<sup>1</sup>

While USTelecom has taken no formal position on the broader aspects of Shared Services Agreements and Joint Sales Agreements, we noted that such agreements may have certain operational benefits to local broadcasters, particularly in smaller, more rural markets and for smaller or minority-owned stations. However, while cases may exist where broadcasters sharing resources are appropriate, joint retransmission consent negotiation is no such instance. We therefore encouraged the Commission to address the significant problems that occur when such agreements are used as a basis for requiring multichannel video program distributors (MVPDs) to negotiate retransmission consent rights for multiple local stations as a single package.

---

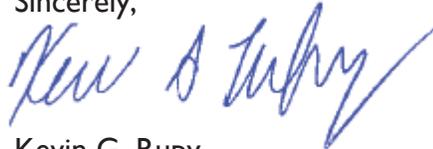
<sup>1</sup> See e.g., American Cable Association Comments, MB 10-71, pp. 5 – 22 (May 27, 2011); see also, Ex Parte Notice, DIRECTV, MB 10-71 (December 6, 2013).

Ms. Marlene Dortch  
March 25, 2014  
Page 2

We also discussed the problems for consumers and competition posed by broadcasters' insisting on network exclusivity, preventing access to distant local stations, and imposing unreasonable or mismatched DMA assignments. Finally, we expressed support for further actions by the Commission to address current imbalances in the current retransmission consent process, and move toward true, free-market negotiations between broadcasters and MVPDs.

Pursuant to Commission rules, please include this ex parte letter in the above-identified proceeding.

Sincerely,



Kevin G. Rupy  
Vice President, Law & Policy

cc: Adonis Hoffman  
Stefanie Frank