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United States Senate

COMMITTEE ON COMMERCE, SCIENCE,
AND TRANSPORTATION

WASHINGTON, DC 20510–6125

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November 25, 2013

The Honorable Thomas Wheeler
Chairman
Federal Communications Commission
445 12th St., SW
Washington, DC 20554

Dear Chairman Wheeler:

For decades, the Federal Communications Commission (FCC) has maintained restrictions on who can own and operate television stations in the United States. These protections were put in place to preserve diversity of voices and localism in broadcast operations and to maintain the integrity of the nation's airwaves. In order to achieve those goals, the FCC's rules limit the number of stations an entity can own in a local market, ensuring that no single company can exert dominant control of the broadcast media in that market.

The agency presently has before it a number of proposed sales of broadcast stations. Some of those transactions envision the use of shared services agreements (SSAs) that would allow operation of some "purchased" stations without assuming full ownership. Various groups have raised concerns that some SSAs are used in broadcast sales to avoid violating the FCC's media ownership limits. In response to the growing concerns about the proliferation of SSAs, I asked the Government Accountability Office (GAO) in May to examine the increasing use and impact of these agreements and other broadcaster coordination arrangements, particularly in situations where assuming full ownership of a station would violate the FCC's media ownership limits.

Given the current questions about the impact of SSAs on the broadcast landscape, the FCC should approach each of the pending transactions cautiously. While I am not taking a position on any particular transaction, I believe that the FCC should collect all information necessary to understand the scope and effect of the SSAs envisioned by the deals. Such information is also critical to gaining a more thorough understanding of the impact these deals could have on the larger video marketplace and consumers. GAO's report will provide important insight on these SSAs, and it may be wise for the FCC to wait to approve any pending transaction that involves SSAs or related arrangements until GAO has completed its study and issued its report.

Broadcasters remain stewards of the nation's airwaves and the public's trust based on an FCC-granted license and their concurrent duty to operate in the public interest. Owners and

operators of broadcast licensees must live up to those responsibilities. As the FCC considers changes to its broadcast ownership practices and its review of transactions involving U.S. broadcast licenses, the FCC must move forward carefully and deliberately. And I will be watching your actions closely to make sure that your review of media ownership activity properly comports with diversity, localism, and ultimately the public interest.

Thank you for your consideration.

Sincerely,

John D. Rockefeller IV
Chairman

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

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

March 19, 2014

The Honorable John D. Rockefeller IV
Chairman
Committee on Commerce, Science and Transportation
United States Senate
254 Russell Senate Office Building
Washington, D.C. 20510

Dear Chairman Rockefeller:

Thank you for your letter regarding Commission review of license transactions involving shared service agreements (SSAs), and the relationship of SSAs to the Commission's broadcast ownership rules.

The Commission bears a very important responsibility in ensuring that license holders act in the public interest, convenience, and necessity. Your letter highlights significant issues for the Commission to contemplate in administering that responsibility with respect to broadcast licensing and ownership, and I have circulated an item for consideration at the March Open Meeting that will seek additional comment on the issues related to SSAs, including whether such agreements should be disclosed publicly. I will ensure that your letter is placed in the quadrennial ownership review docket. Additionally, we will take these issues into consideration when reviewing media license transfer applications.

I appreciate your taking the time to share your views on this matter. Please let me know if I can be of any further assistance.

Sincerely,

Tom Wheeler