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United States Senate

COMMITTEE ON COMMERCE, SCIENCE,
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Federal Communications Commission
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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

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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,

A handwritten signature in black ink, appearing to read "Jay Rockefeller". The signature is fluid and cursive, with the first name "Jay" written in a larger, more prominent script than the last name "Rockefeller".

John D. Rockefeller IV
Chairman

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