



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

May 1, 2014

The Honorable Barbara A. Mikulski
United States Senate
503 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Mikulski:

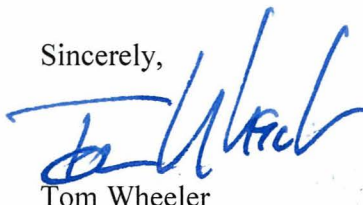
Thank you for your letter expressing concerns regarding the recent Commission action to attribute certain Joint Sales Agreements (JSAs) between television stations. I appreciate the opportunity to provide some clarification about the Commission's March 31, 2014 decision to attribute TV JSAs where one station sells 15% or more of the weekly advertising time on behalf of another station in the same market.

Stations have been on notice of potential regulatory action on JSAs since 2004 when the Commission first adopted a *Notice of Proposed Rulemaking* proposing to attribute these types of TV agreements. Since the start, the industry has participated in the proceeding, including in 2010 when the Commission sought additional comment as part of the Quadrennial Review of broadcast ownership rules. In fact, it is our understanding that stations have been noting the possible change in policy as part of their SEC filings, and the Commission has consistently noted the pending proceeding to attribute JSAs in prior decisions on broadcast transactions that involve JSAs. Additionally, the Commission action on the TV JSA rule mirrors the path taken in 2002, when the Commission attributed JSAs for radio stations in the same manner and provided a 2-year period for stations to come into compliance.

Historically, the Commission's rules have prohibited one television broadcaster from owning more than one station in small and medium-size markets. The purpose of this is to foster competition, localism, and a diversity of voices in the public interest. In the last few years, however, some broadcasters approached the Commission to approve agreements that effectively granted them ownership without a formal transfer of control. This practice rapidly evolved from an exception to common practice, with the number of such agreements ballooning in recent years to become a direct means of circumventing the Commission's ownership rules. In the case of public companies, the Securities and Exchange Commission filings acknowledge this reality in unmistakable terms. By moving decisions on broadcast ownership into the open, we will enable the public and the Commission to consider more fully and appropriately the public interest issues raised by the implementation of the Commission's rules.

I hope this information is helpful.

Sincerely,



Tom Wheeler