



August 20, 2013

Dear NABOB Members and Friends,

BLACK BUYERS ARE BEING SHUT OUT OF STATION PURCHASES AGAIN!

The trade press has reported a number of big transactions in recent weeks, but we see virtually no African American or other minority buyers. Instead, the station trading picture looks much like it did in 1978, before the FCC established the minority tax certificate.

In radio, within the past year, no less than 20 radio stations that were owned by African Americans were forced into bankruptcy by their lenders and have subsequently been sold to non-minority purchasers. The failure of these lenders to reach out to minority purchasers, particularly in light of the anemic pace for sales to minorities in general, suggests that radio has regressed back to the pre-1978 days, when minorities were never given an opportunity to participate as station owners. The potential impact on the African American community cannot be overstated. We are losing our voices, sale by sale.

Now, the television trading market has become red-hot, but no Black companies are showing up as buyers in the television trading frenzy either. Among recent deals announced are:

- \$985 Million Sinclair Broadcast Group acquisition of 7 TV stations from Allbritton Communications
- \$373 Million Sinclair acquisition of 19 TV stations and 3 radio stations from Fisher Communications

- \$370 Million Sinclair acquisition of 18 stations and 6 SSA¹ stations from Barrington Broadcast Group
- \$115 Million Sinclair acquisition of Titan Television Broadcast Group's 4 TV stations and 2 LMA TV stations
- \$2.2 Billion Gannett Company acquisition of 20 TV stations and 7 LMA stations from Belo Corporation
- \$.2.7 Billion Tribune acquisition of 19 TV stations from Local TV Co.
- \$270 Million Nexstar acquisition of 19 TV stations from Communications Corporation of America
- Media General's 18 TV stations are merging with Young Broadcasting's 12 TV station resulting in a company with \$605 Million in revenues

These recent transactions will clearly exacerbate the dearth of minority owners in the industry and increase the excessive consolidation of the industry that Congress and the FCC have allowed to occur for more than a decade.

Free Press, a vocal media consolidation opponent, has already spoken out about the potential negative impact of the huge consolidation of ownership these recent transactions will create. The deals all must obtain approval from the FCC. NABOB will ask the Commission to consider the potential impact of this string of large transactions on minority ownership and will ask the Commission, once again, to take steps to create policies that promote opportunities for minority owners.

CHAIRWOMAN MIGNON CLYBURN TO RECEIVE NABOB-POWER OF URBAN RADIO FORUM LEADERSHIP AWARD



¹ Several of these deals include announced LMAs (Local Marketing Agreements) and SSAs (Shared Services Agreements). LMAs and SSAs allow operators to program stations where the FCC's ownership rules do not permit the operators to own the stations. NABOB has long opposed such arrangements, because they often result in sham transactions in which the titular owner exercises no actual control.

NABOB and the Power of Urban Radio Forum are pleased to announce that Acting Chairwoman Mignon Clyburn of the Federal Communications Commission will receive the NABOB-PUR Leadership Award during the 37th Annual NABOB Fall Conference and 13th Annual Power of Urban Radio Forum, being held October 2-4, 2013, at the Westin City Center Hotel, 1400 M Street, NW, Washington, DC.

Chairwoman Clyburn made history when she was recently appointed to her current position by President Barack Obama as the first woman to serve as Chair of the FCC. Chairwoman Clyburn is a strong advocate for underrepresented and underserved consumers, and has worked with NABOB on many important issues since first being appointed as a Commissioner in 2009.

Please contact the NABOB office at: 202-463-8970, or go to the NABOB website: www.nabob.org to register for the Conference. Accompanying this Newsletter is the Power of Urban Radio Forum Save the Date Announcement. Register today!



A distinguished group of 2012 Conference attendees and panelists

FCC ADOPTS RULES TO END HIGH PRISON PHONE RATES

The exorbitant rates charged to inmates to use telephone service while incarcerated has been an issue of concern to civil rights organizations for years, and the Leadership Conference for Civil and Human Rights has been leading the fight to correct this injustice.

The FCC, at its August 9, 2013 meeting, under the leadership of Chairwoman Mignon Clyburn, adopted rules to end the excessive charges for prison phone rates. With Chairwoman Clyburn and Commissioner Jessica Rosenworcel voting in favor, and Commissioner Ajit Pai dissenting, the Commission required that prison phone rates must be cost-based and capped the maximum amounts that can be charged.

FCC MOVING FORWARD WITH TELEVISION
SPECTRUM INCENTIVE AUCTION

At its open meeting on August 9, 2013, the FCC Commissioners received a staff report on the planned Television Spectrum Incentive Auction. The Staff reported that they expect to adopt final rules for the auction before the end of 2013, and they are on schedule to conduct the auction in 2014 as announced.

Television stations across the country, especially in the top 30 TV markets, are likely to be impacted by the Incentive Auctions, either by turning in spectrum in exchange for a payment from the auction proceeds or because of changes in their operating frequencies resulting from repacking station frequencies required by the auction. NABOB is in regular contact with the FCC regarding how stations should best prepare themselves for the auction.

Please contact NABOB with any questions you have regarding the Incentive Auction.

CONTACT

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