



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

June 9, 2016

The Honorable Thomas R. Carper
Ranking Member
Committee on Homeland Security and Governmental Affairs
United States Senate
442 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Carper:

On April 11, 2016, the Government Accountability Office (GAO) publicly released a report entitled *Local Media Advertising – FCC Should Take Action to Ensure Television Stations Publicly File Advertising Agreements*, GAO-16-349 (Report), which reviews issues related to the use of advertising sales agreements in local markets. The Report identifies an aggregate number of cases in which only one of the parties to a joint sales agreement (JSA) — and not both — placed that agreement in the appropriate station's public inspection file, as required by section 73.3526(e)(16) of the Commission's rules.¹ Ultimately, the Report recommends "that the Chairman of FCC review JSAs filed in stations' public inspection files to identify stations involved in those JSAs and take action to ensure that each station involved has filed their JSAs as required."²

As stated in our comment letter that was published in the Report, the Commission takes seriously its obligation to ensure that licensees comply with its rules. The Commission actively enforces violations of the public inspection file rule that are identified as a result of self-disclosure, complaints filed by the public regarding the completeness or availability of the public inspection files, discovery by Commission staff, or in connection with a station's license renewal application. To date, the Commission has not received any complaints from the public concerning the failure of a station to properly file a JSA in its public inspection file and no stations have self-reported any such violations. In addition, the Commission received no petitions to deny alleging missing JSAs in the most recent round of license renewal reviews.

The Commission, however, shares GAO's concern that potential noncompliance with the JSA filing requirement could bear on the transparency of local television markets. The Commission has previously reminded licensees of the JSA public file requirement,³ and we have recently taken additional action to help ensure that broadcasters are aware of and in compliance with their public file obligations regarding JSAs and that any noncompliance is disclosed to the

¹ Report at 17-20.

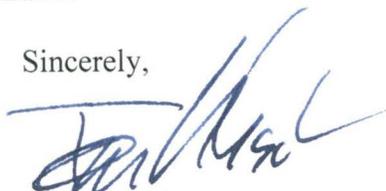
² *Id.* at 30.

³ *Media Bureau Announces Requirement to File Certain Television Joint Sales Agreements*, Public Notice, 29 FCC Rcd 13402 (MB 2014).

Commission, as appropriate. On May 12, 2016, the Commission released a public notice regarding the recent expansion of the online public file requirement to cable operators, DBS providers, and broadcast radio and satellite radio licensees. Therein, the Commission reminded broadcast station licensees, television and radio, of their continuing obligation to place copies of all current JSAs into their local public inspection file. The public notice reminded stations that this public inspection file obligation applies to both the brokering station and the brokered station(s) and that any failure to place required documents in a station's public inspection file at the appropriate times must be disclosed to the Commission in the station's license renewal application and could be subject to enforcement action.⁴

We appreciate GAO's analysis and recommendation, and we remain committed to ensuring transparency in local television markets.

Sincerely,



Tom Wheeler

cc: The Honorable Fred Upton
The Honorable Greg Walden

⁴ *Effective Date Announced for Expanded Online Public Inspection File Database*, Public Notice, DA 16-536 (MB May 12, 2016).



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

June 9, 2016

The Honorable Jason Chaffetz
Chairman
Committee on Oversight and Government Reform
U.S. House of Representatives
2157 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Chaffetz:

On April 11, 2016, the Government Accountability Office (GAO) publicly released a report entitled *Local Media Advertising – FCC Should Take Action to Ensure Television Stations Publicly File Advertising Agreements*, GAO-16-349 (Report), which reviews issues related to the use of advertising sales agreements in local markets. The Report identifies an aggregate number of cases in which only one of the parties to a joint sales agreement (JSA) — and not both — placed that agreement in the appropriate station's public inspection file, as required by section 73.3526(e)(16) of the Commission's rules.¹ Ultimately, the Report recommends "that the Chairman of FCC review JSAs filed in stations' public inspection files to identify stations involved in those JSAs and take action to ensure that each station involved has filed their JSAs as required."²

As stated in our comment letter that was published in the Report, the Commission takes seriously its obligation to ensure that licensees comply with its rules. The Commission actively enforces violations of the public inspection file rule that are identified as a result of self-disclosure, complaints filed by the public regarding the completeness or availability of the public inspection files, discovery by Commission staff, or in connection with a station's license renewal application. To date, the Commission has not received any complaints from the public concerning the failure of a station to properly file a JSA in its public inspection file and no stations have self-reported any such violations. In addition, the Commission received no petitions to deny alleging missing JSAs in the most recent round of license renewal reviews.

The Commission, however, shares GAO's concern that potential noncompliance with the JSA filing requirement could bear on the transparency of local television markets. The Commission has previously reminded licensees of the JSA public file requirement,³ and we have recently taken additional action to help ensure that broadcasters are aware of and in compliance with their public file obligations regarding JSAs and that any noncompliance is disclosed to the

¹ Report at 17-20.

² *Id.* at 30.

³ *Media Bureau Announces Requirement to File Certain Television Joint Sales Agreements*, Public Notice, 29 FCC Rcd 13402 (MB 2014).

Commission, as appropriate. On May 12, 2016, the Commission released a public notice regarding the recent expansion of the online public file requirement to cable operators, DBS providers, and broadcast radio and satellite radio licensees. Therein, the Commission reminded broadcast station licensees, television and radio, of their continuing obligation to place copies of all current JSAs into their local public inspection file. The public notice reminded stations that this public inspection file obligation applies to both the brokering station and the brokered station(s) and that any failure to place required documents in a station's public inspection file at the appropriate times must be disclosed to the Commission in the station's license renewal application and could be subject to enforcement action.⁴

We appreciate GAO's analysis and recommendation, and we remain committed to ensuring transparency in local television markets.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Tom Wheeler', is written over a horizontal line.

Tom Wheeler

cc: The Honorable Fred Upton
The Honorable Greg Walden

⁴ *Effective Date Announced for Expanded Online Public Inspection File Database*, Public Notice, DA 16-536 (MB May 12, 2016).



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

June 9, 2016

The Honorable Elijah E. Cummings
Ranking Member
Committee on Oversight and Government Reform
U.S. House of Representatives
2471 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Cummings:

On April 11, 2016, the Government Accountability Office (GAO) publicly released a report entitled *Local Media Advertising – FCC Should Take Action to Ensure Television Stations Publicly File Advertising Agreements*, GAO-16-349 (Report), which reviews issues related to the use of advertising sales agreements in local markets. The Report identifies an aggregate number of cases in which only one of the parties to a joint sales agreement (JSA) — and not both — placed that agreement in the appropriate station's public inspection file, as required by section 73.3526(e)(16) of the Commission's rules.¹ Ultimately, the Report recommends "that the Chairman of FCC review JSAs filed in stations' public inspection files to identify stations involved in those JSAs and take action to ensure that each station involved has filed their JSAs as required."²

As stated in our comment letter that was published in the Report, the Commission takes seriously its obligation to ensure that licensees comply with its rules. The Commission actively enforces violations of the public inspection file rule that are identified as a result of self-disclosure, complaints filed by the public regarding the completeness or availability of the public inspection files, discovery by Commission staff, or in connection with a station's license renewal application. To date, the Commission has not received any complaints from the public concerning the failure of a station to properly file a JSA in its public inspection file and no stations have self-reported any such violations. In addition, the Commission received no petitions to deny alleging missing JSAs in the most recent round of license renewal reviews.

The Commission, however, shares GAO's concern that potential noncompliance with the JSA filing requirement could bear on the transparency of local television markets. The Commission has previously reminded licensees of the JSA public file requirement,³ and we have recently taken additional action to help ensure that broadcasters are aware of and in compliance with their public file obligations regarding JSAs and that any noncompliance is disclosed to the

¹ Report at 17-20.

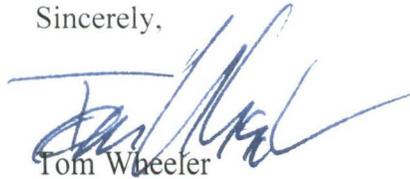
² *Id.* at 30.

³ *Media Bureau Announces Requirement to File Certain Television Joint Sales Agreements*, Public Notice, 29 FCC Rcd 13402 (MB 2014).

Commission, as appropriate. On May 12, 2016, the Commission released a public notice regarding the recent expansion of the online public file requirement to cable operators, DBS providers, and broadcast radio and satellite radio licensees. Therein, the Commission reminded broadcast station licensees, television and radio, of their continuing obligation to place copies of all current JSAs into their local public inspection file. The public notice reminded stations that this public inspection file obligation applies to both the brokering station and the brokered station(s) and that any failure to place required documents in a station's public inspection file at the appropriate times must be disclosed to the Commission in the station's license renewal application and could be subject to enforcement action.⁴

We appreciate GAO's analysis and recommendation, and we remain committed to ensuring transparency in local television markets.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tom Wheeler", is written over a horizontal line.

Tom Wheeler

cc: The Honorable Fred Upton
The Honorable Greg Walden

⁴ *Effective Date Announced for Expanded Online Public Inspection File Database*, Public Notice, DA 16-536 (MB May 12, 2016).



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

June 9, 2016

The Honorable Ron Johnson
Chairman
Committee on Homeland Security and Governmental Affairs
United States Senate
340 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Chairman Johnson:

On April 11, 2016, the Government Accountability Office (GAO) publicly released a report entitled *Local Media Advertising – FCC Should Take Action to Ensure Television Stations Publicly File Advertising Agreements*, GAO-16-349 (Report), which reviews issues related to the use of advertising sales agreements in local markets. The Report identifies an aggregate number of cases in which only one of the parties to a joint sales agreement (JSA) — and not both — placed that agreement in the appropriate station's public inspection file, as required by section 73.3526(e)(16) of the Commission's rules.¹ Ultimately, the Report recommends "that the Chairman of FCC review JSAs filed in stations' public inspection files to identify stations involved in those JSAs and take action to ensure that each station involved has filed their JSAs as required."²

As stated in our comment letter that was published in the Report, the Commission takes seriously its obligation to ensure that licensees comply with its rules. The Commission actively enforces violations of the public inspection file rule that are identified as a result of self-disclosure, complaints filed by the public regarding the completeness or availability of the public inspection files, discovery by Commission staff, or in connection with a station's license renewal application. To date, the Commission has not received any complaints from the public concerning the failure of a station to properly file a JSA in its public inspection file and no stations have self-reported any such violations. In addition, the Commission received no petitions to deny alleging missing JSAs in the most recent round of license renewal reviews.

The Commission, however, shares GAO's concern that potential noncompliance with the JSA filing requirement could bear on the transparency of local television markets. The Commission has previously reminded licensees of the JSA public file requirement,³ and we have recently taken additional action to help ensure that broadcasters are aware of and in compliance with their public file obligations regarding JSAs and that any noncompliance is disclosed to the

¹ Report at 17-20.

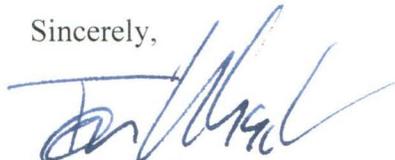
² *Id.* at 30.

³ *Media Bureau Announces Requirement to File Certain Television Joint Sales Agreements*, Public Notice, 29 FCC Rcd 13402 (MB 2014).

Commission, as appropriate. On May 12, 2016, the Commission released a public notice regarding the recent expansion of the online public file requirement to cable operators, DBS providers, and broadcast radio and satellite radio licensees. Therein, the Commission reminded broadcast station licensees, television and radio, of their continuing obligation to place copies of all current JSAs into their local public inspection file. The public notice reminded stations that this public inspection file obligation applies to both the brokering station and the brokered station(s) and that any failure to place required documents in a station's public inspection file at the appropriate times must be disclosed to the Commission in the station's license renewal application and could be subject to enforcement action.⁴

We appreciate GAO's analysis and recommendation, and we remain committed to ensuring transparency in local television markets.

Sincerely,



Tom Wheeler

cc: The Honorable Fred Upton
The Honorable Greg Walden

⁴ *Effective Date Announced for Expanded Online Public Inspection File Database*, Public Notice, DA 16-536 (MB May 12, 2016).