

ONE HUNDRED THIRTEENTH CONGRESS  
**Congress of the United States**  
**House of Representatives**

COMMITTEE ON ENERGY AND COMMERCE

2125 RAYBURN HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515-6115

Majority (202) 225-2927  
Minority (202) 225-3641

September 5, 2014

The Honorable Gene Dodaro  
Comptroller General of the United States  
U.S. Government Accountability Office  
441 G Street, N.W.  
Washington, D.C. 20548

Dear Mr. Dodaro:

The Federal Communications Commission (“FCC” or “Commission”) has long been charged with promoting localism, competition, and diversity in media. In particular, Congress has directed the Commission to further these goals through its media ownership rules and the Quadrennial Review of certain media ownership rules. The FCC failed to complete its statutorily required 2010 Quadrennial Review and has now combined its 2010 proceeding with the 2014 Quadrennial Review, which the Commission indicates that it will complete in 2016.

On March 31, 2014, the FCC determined that certain television joint sales agreements (“JSAs”) convey sufficient influence to warrant attribution under the FCC’s media ownership rules. Accordingly, the FCC issued rules attributing ownership of brokered stations to the brokering station if the two stations were in the same market and the JSA permitted the broker station to control more than 15 percent of the station’s weekly advertising time. The Commission further indicated that it expects broadcasters whose JSAs would now push them over the local ownership limit to terminate those arrangements or otherwise comply with the local ownership rule within two years.

Supporters argue that the new FCC rule will enhance competition in local markets. Critics of the Commission’s action argue that the FCC needs additional information about local advertising markets to evaluate the impact of these rule changes. Accordingly, we request that the General Accounting Office conduct a study of the market for the purchase and sale of electronic advertising on a local market basis, *i.e.*, in a Nielsen Designated Market Area (“DMA”). In particular, we request that the GAO consider the following questions:

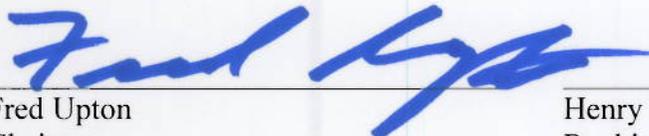
1. What types of sellers participate in the local advertising market? (television broadcasters, spot cable, online advertising, etc.)?

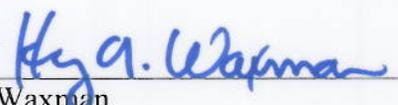
2. Have recent technology developments (such as monitoring data from set-top boxes) and pan-industry arrangements (including MVPD advertising interconnection arrangements) impacted the local advertising market?
3. Do sellers of all types of advertising engage in joint arrangements? What types of arrangements do they enter and what efficiencies are gained by each type of arrangement?
4. How does each type of seller perform in the various categories of advertising, including local placements of national advertising, local advertising, and political advertising?

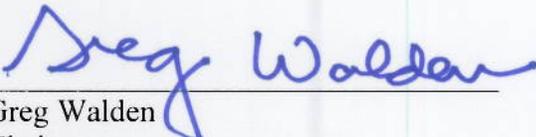
We request that the GAO report back within a year of accepting this request. It is our hope that the additional analysis could inform the Commission as it considers its upcoming review of the media ownership rules.

Thank you for your prompt attention to this important matter.

Sincerely,

  
Fred Upton  
Chairman

  
Henry Waxman  
Ranking Member

  
Greg Walden  
Chairman  
Subcommittee  
on Communications & Technology

  
Anna G. Eshoo  
Ranking Member  
Subcommittee  
on Communications & Technology