

Minority Media and Telecommunications Council

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August 29, 2013

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: MB Docket No. 09-182; MB Docket No. 07-294
Broadcast Valuation Experts Declaration

Dear Ms. Dortch:

We attach the declaration of two broadcast station valuation experts, Peter Bowman, ASA, Bowman Valuation Services, LLC and Robert J. Maccini, Director, Media Services Group, Inc., concerning the impact of common ownership on the value of a non-commonly owned station to supplement the record regarding the BIA/Kelsey study (“Study”) that MMTC sponsored and submitted to the Commission.¹

A key question in assessing the impact of a change in media ownership policy is whether a type of station combination is likely to adversely impact others in the market, including minorities and women. One indication of such an impact would be a decline in the value of stations not included in the station combination under consideration.

The experts attest that in “valuation practice, the presence of a local cross-ownership is so seldom a material factor that the presence of a cross-owned combination does not impact our discounted cash flow model that is the cornerstone of a broadcast valuation. Instead, if there is a cross-owned combination in a market, that fact is noted in the narrative report accompanying the quantitative valuation of assets.”

Declaration at paragraph 4. The experts note the following point about the Study:

The Study’s findings, which “revealed in most instances, newspaper-broadcast station common ownership does not operate as a material impediment to minority and female ownership,” but note that “cross media interests could have a competitive impact on

¹ See Mark Fratrick, Ph.D., The Impact of Cross Media Ownership On Minority/Women Owned Broadcast Stations, BIA-Kelsey (May 30, 2013), available at <http://apps.fcc.gov/ecfs/document/view?id=7022419396> (last visited Aug. 18, 2013) (“Study”). The Study concludes that its results, “while not dispositive, do provide evidence that the impact of cross-media ownership on minority and women broadcast ownership is probably negligible.”

Marlene Dortch, Esq.

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stations in medium markets “where there was a local combination of the only daily newspaper, a full power television station and radio stations,” are consistent with their experiences in performing station valuations.

Declaration at paragraph 5. The experts conclude that they believe “modest relaxation of the newspaper-broadcast station cross-ownership rule, such as the proposal by former Chairman Genachowski that is under consideration by the FCC now, would not significantly influence the value of broadcast stations in most instances.” Declaration at paragraph 6.

Owing to its importance, the declaration is being offered for the record to assist the Commission in assessing the competitive impact of cross-ownership, both with respect to minorities and women owned stations and in general.

Respectfully submitted,

David Honig

David Honig
President