

NEWS

SINCLAIR IN TOWN

Media company snatches up local TV stations as part of plan to build a national powerhouse

By Thomas Heath and Cecilia Kang, Published: September 2.

Most people probably wouldn't even realize if Sinclair Broadcasting was in their living room. It's no Facebook, after all. Or Netflix, for that matter.

In a world of fast-rising new-media companies, it has old-fashioned big-media ambitions: Control enough local news markets across the land to build a powerhouse to rival CNN and the Big Four networks.

To that end, it bought eight television properties this summer from Allbritton Communications, marking the end of an era for the Washington media family that will pivot its attention toward Politico and other Web ventures. The real prizes in the billion-dollar deal: NewsChannel 8, Washington's only 24-hour, local news channel, which could be repositioned as a national franchise. And WJLA, the ABC affiliate with one of the biggest television newsrooms in the country.

In the past year, Sinclair has paid almost \$2.5 billion to snap up 79 local television stations. For most Americans, local television is still the prime source of news. If all the acquisitions are approved, Sinclair will control that broadcast for a third of U.S. households.

Sinclair is one of a handful of "super group" station owners that includes Gannett, Nexstar and LIN Media.

The Baltimore company is family-controlled and has been known to promote the Republican party and right-of-center causes. Its fast-expanding national footprint has raised the guard of media watchdogs.

"We are headed for a world in which fewer than 10 companies will control most of the local TV stations in the entire country," said Craig Aaron, the president of Free Press, an opponent of media consolidation.

"There will be less competition for local scoops, fewer voices on the air and the same cookie-cutter content everywhere you look. As a result, people will be less informed."

The local television business has undergone a wave of consolidation. In the first half of 2013, there were \$6.28 billion in TV deals involving 326 stations, according to SNL Kagan, a media research firm.

Federal communications rules are designed to preserve healthy competition among local newspaper and television outlets. But Sinclair and other conglomerates have deployed a complicated business tactic that allows them to maintain multiple business arrangements in one local market. By merging business and newsroom operations among multiple stations, they can cut costs and boost profits.

OUR SUSTAINING MEMBERS:

KTSM-TV

KVIA-TV

KRWG-TV

KBNA-AM/FM & KAMA-AM

KHEY-AM/FM, KPRR-FM & KTSM-AM/FM

KLAQ-FM, KISS-FM & KROD-AM

KPAS-FM-
ALGIE A. FELDER CSBE

KINT98.COM
INTERNET RADIO NETWORK

BURST COMMUNICATIONS
INC.- THOM JOHNSON

GIESLER BROADCASTING
SUPPLY INC.

ENTRAVISION
COMMUNICATIONS

SCMS, INC.-

TNT BROADCAST AND
TELECOMMUNICATIONS
CONTRACTORS, INC.-

KSCE-TV

RF Specialties of Texas
Dan Sessler.

KCOS-TV

KELP-AM
ARNOLD McClatchy.

MARSAND, INC.

Ho Tah Say. LLC

TNT
Broadcast & Telecommunication Contractor Inc.
1319 Murchison, El Paso, Texas 79902

Paul V. Terry
President

Mobile: (915) 920-6769
toolhead@juno.com

El Paso Fax: (915) 544-3481
Austin Fax: (512) 829-4911

Christian Radio in Stereo

KPAS-FM

INSPIRATIONAL / GOSPEL RADIO
LISTEN TO 103.1 MHZ. ON YOUR FM DIAL

Algie A. Felder
General Manager

P.O. Box 371010
El Paso, TX 79937
915/851-3382

BURST

WE KNOW WHAT WORKS

8 Twin Tree Court | Cedar Crest, NM 87008 | www.burstvideo.com

Thom Johnson
Sales Engineer

Phone: 505.286.9555
Fax: 505.286.9565
thom@highfiber.com

NewsChannel 9

801 North Oregon
El Paso, TX 79902
915 532-5421
915 532-6793 Fax

KTSM Television
An NBC Affiliate

KEVIN LOVELL
General Manager

KVIA-TV 7
4140 Rio Bravo
El Paso, Texas 79902
Tel. (915) 496-7777
Fax. (915) 532-0070

Website
kvia.com

e-mail
kvia@kvia.com

MARSAND, INC.
Consulting Engineer

AFCCE
SBE-PBE

Matthew A. Sanderford, Jr., P.E.
President

tvcowboy@marsand.com
PO Box 485 * 6100 IH-35W
Alvarado, TX 76009

www.marsand.com
Office: 817-783-5566
FAX: 817-783-5577

"It's called a virtual duopoly," said Larry Patrick, a media broker in Elkridge, Md. "They are legal. It doesn't circumvent any FCC rules."

Patrick and others said that in most mid-size markets, the FCC rule allows media companies to own one TV station and lease a second or third. These are known as sidecar agreements.

The strategy is simple: One company agrees to operate a station owned by another, selling its advertising, managing the finances and even sharing newsroom resources. These agreements closely link the stations and they have long been part of the television business, said Justin Nielson, a media analyst with SNL Kagan. Sinclair has used this strategy across the country. In Columbus, Ohio, and Charleston, W.Va., Sinclair-owned stations share newsroom resources with a sidecar station owned by Cunningham Broadcasting. The overlap is probably most apparent to viewers who follow on-air talent. In Columbus, for example, anchor Adam Aaro is listed on the Web site for both ABC (channel 6) and its sidecar station, Fox 28. Indeed, the stations' news teams are virtually the same. In Charleston, the Fox channel 11 newsroom is produced by the same team — including anchor Rick Lord, weatherman Jim Barach and sportscaster Mark Martin — that does the news on Sinclair-owned WCHS Channel 8.

Continues in page 5

SBE CHAPTER 38 OFFICERS

CHAIRMAN Antonio Castro
SBE member # 11456.
KFOX/COX retired Chief Eng.
800 Arredondo dr.
El Paso. TX 79912
915-584-1220 home
915-525-8507 cell
farahjac@sbcglobal.net

VICE CHAIRMAN Carlos Sosa
SBE member # 26533
801 N Oregon St.
El Paso, TX 79902
915-496-4444 Office
csosa@ktsm.com

Treasurer Walter Hanthorn
SBE member # 18307
KSCE TV
4461 Gen. Maloney
El Paso, TX. 79924
915-269-7583 home
915-532-8588 office

Certification Committee: David Halperin.

Membership Committee:
TBD
TBD

Frequency Coord. Committee:
Warren Reeves
Owen Smith

Scholarship Committee: Rick Vilardell

Web Site Committee: Norbert Miles

Sustaining Membership: Antonio Castro
Program Chairman: Warren Reeves

Newsletter: Antonio Castro

EAS Chairman: David Halperin

Executive Committee:
Antonio Castro
Carlos Sosa
Walter Hanthorn

Ho Tah Say, LLC
RF Engineer
WARREN T REEVES

4003 Santa Anita Drive
El Paso, TX 79902

915-351-0591
mobile 915-309-3377
wreeves707@gmail.com

 **ENTRAVISION COMMUNICATIONS CORPORATION**
5426 N. MESA • EL PASO, TEXAS 79912

David Candellana
General Manager

KINT TV 26 • KTFN TV 65 • KINT 93.9 FM
KSVE 1150 AM • KHRO 94.7 FM • KOFX 92.3 FM

KAMA 750
Your Favorite AM Radio Station
QUE BUENA!
920 am KBNA 97.5 fm

NM STATE **KRWG**
TV/FM


www.krwg.org

GIESLER
BROADCASTING
SUPPLY, INC.

800-634-8601

DAN GIESLER
dan@gbs-giesler.com www.gbs-giesler.com

S.C.M.S., Inc.
Broadcast Sales & Service
NEW & USED
Buy/Sell/Trade
Rentals - Remotes/Emergencies
10201 Rodney Blvd, Pineville, NC 28134
800/438-6040 Fax 704/889-4540
www.scmsinc.com

 **Huntleigh**
Technology Group

Ross Dahman
President
Direct: 915.225.2499
Support: 915.832.0100 x3
ross.dahman@huntleigh.com

www.huntleigh.com 100 Stanton Tower - Downtown
100 N. Stanton Suite 700
El Paso, TX 79901

 

EL PASO, TX CHAPTER 38 MEETING MINUTE
DATE 8/13/2013 LOCATION: COMO'S ITALIAN REST.

MEETING CALLED TO ORDER: 12:25 PM, BY ANTONIO CASTRO,
THERE WERE 12 MEMBERS.

REPORT OF THE SECRETARY: MINUTES ACCEPTED BY NORBERT
MILES, 2nd BY ALFREDO DURAND

REPORT OF THE TREASURER: CURRENT BALANCE OF \$ 6,057.14.
ACCEPTED BY DOUG GARCIA, 2nd BY WARREN REEVES. WILL PAY
ONE YEAR RENEWAL OF PO BOX, JUST AFTER THIS MEETING.

REPORT OF THE CERTIFICATION COMMITTEE: NO REPORT.

REPORT OF THE MEMBERSHIP COMMITTEE: NO REPORT.

REPORT OF THE FREQUENCY COORDINATOR COMMITTEE: WAR-
REN WILL START AN UPDATE OF ALL OUR FREQUENCIES LISTS.

REPORT OF THE SCHOLARSHIP COMMITTEE: WAITING FOR THE
PROPOSED RECIPIENT FOR THE SCHOLARSHIP FOR SEPTEMBER

REPORT OF THE WEBSITE COMMITTEE: 1441 HITS LAST REPORT,
NOW 1453 (12 MORE FROM LAST MONTH).

REPORT OF THE EAS CHAIRMAN : WARREN REEVES AND DAVID
HALPERIN FIXING LNB POWER SUPPLY FOR THE DISH IN KLAQ
ROOF FOR NEW MEXICO EAS SIGNALS.

REPORT OF THE PROGRAM COMMITTEE: TO PREPARE A PRESEN-
TATION WITH MICHAEL GIERE AND WARREN REEVES ON NET-
WORKS.

UNFINISHED BUSINESS: PRESENTED CERTIFICATE TO WARREN
REEVES FOR CHAPTER ENGINEER OF THE YEAR FROM SBE NA-
TIONAL. PICTURE PRESENTING IT WAS TAKEN AND WILL SEND TO
NATIONAL

NEW BUSINESS OR ANY ITEMS FOR THE CHAPTER INTERES: MI-
CHAEL GIERE FROM KTSM OFFERED A TRAINING COURSE FOR CER-
TIFICATION ON HARD DRIVES

NEXT MEETING DATE AND LOCATION: TUESDAY SEPTEMBER 10,
2013 , GRAND CHINA BUFFET, SUNLAND PARK AT NOON !!

MEETING ADJOURNED: AT 13:18 PM.

Note from the EDITOR: Congratulations to
Mr. Bruno Cruz for returning to work, with
limited physical duty, after months of
recovery from the almost fatal accident that
Affected his life back early this year.
TAKE IT EASY, BRUNO, AND KEEP GOING !!

SEPTEMBER PROGRAM



WARREN REEVES, THE WINNER OF THE 2013 SBE CH-38
ENGINEER OF THE YEAR

NEXT MEETING:

**TUESDAY SEPTEMBER 10, 2013.
NOON (12:00 PM)**

**WHERE ? ALL YOU CAN EAT!!! IN
THE INTERNATIONAL CHINESE
BUFFET. LET'S MEET AT THE**

**GRAND CHINA BUFFET.
SUNLAND PARK.**

**BRING ONLY 6 BUCKS (YES, SIX
DOLLARS!!), THE CHAPTER WILL
PICK THE DIFFERENCE . DEAL ?**



KLAQ KROD
95.5FM 600AM

BRAD DUBOW
GENERAL MANAGER

4180 N. Mesa El Paso, Tx 79912
(915) 544-9550

KELP RADIO AM 1590

EL PASO'S CHRISTIAN STATION

8900 Commerce
El Paso, Texas 79915
915 / 779-0018
FAX 915 / 779-6941

Arnold McGlatchey
Owner

KCOSTO Grande!

P.O. Box 26668
El Paso, Texas 79926

STREET ADDRESS:
9050 VISCOUNT BLVD.
SUITE A 440
EL PASO, TEXAS 79925

PHONE (915) 590-1313 • FAX (915) 594-5394 • WWW.KCOSTV.ORG

Kint98.com World Wide Radio
The Most Music Variety Station

El Paso, Tx. 79903

Promote your business with unlimited radio
advertising with your own webpage
Norbert Miles (915) 256-9940
email: kint98@aol.com

Dan Sessler
President / GM

Box 1010
Newark, Texas 76071-3141

817 489 2730
Mobile 214-697-3477

dsessler@rfstx.net
www.rfspecialties.com

RF Specialties®
OF TEXAS

Sinclair acknowledges the close relationship. “Trusts established for the benefit of the children of our controlling Shareholders, and the estate of Carolyn C. Smith, a parent of our controlling shareholders, own Cunningham,” it said in an SEC filing.

Sinclair did not respond to repeated calls for comment. The company outlined its strategy in a July conference call with analysts after announcing the Allbritton deal. Asked if the strategy would be implemented with stations included in that acquisition, David Smith, the company’s chief executive, said “That is the plan.”

Sinclair’s critics say conservative politics occasionally seep into its news coverage. After the 2001 terrorist attacks, its owners ordered local anchors to read editorials backing the Bush administration against al-Qaeda.

The company sparked criticism in 2004 when it refused to carry an edition of “Nightline” on which Ted Koppel read the names of all Americans who had been killed in Iraq, accusing the ABC anchor of an antiwar agenda. Sinclair also yanked ABC’s “Politically Incorrect” after host Bill Maher made controversial remarks about the U.S. war on terror.

For decades, local news stations were cash cows. They were laid low by the 2008 financial crisis and the changing media landscape, but have seen business resurrected by the influx of political advertising, largely driven by the Supreme Court’s Citizens United decision that allows political interest groups to collect and spend limitless amounts of money.

Broadcast stations have also had a boost in recent years from the “retransmission fees” they collect from cable companies that carry their programming.

The renaissance in profits has made local television stations, for now at least, prime acquisition targets, especially with the playbook that Sinclair and the others are practicing in local markets.

“It is driven by scale,” said Nielson, adding that combined newsrooms, agreements on ad sales and retransmission fees are highly lucrative and make the purchases worthwhile. Plus the agreements give companies the size to negotiate better deals with advertisers.

“When an advertiser comes in and you can say we own one station and have a joint sales agreement with another station,” he said, “you’ve just gotten more bang for your buck as the station owner.”

Sinclair’s ambitions extend beyond nursing profits from the 149 stations it has cobbled together in 76 markets. The company has set its sights on turning its collection of local stations into a delivery vehicle for a 24-hour news network capable of taking on CNN.

Smith told analysts that within two years News Channel 8 will be transformed to serve as the center of a “news wheel” in which the national channel pumps out news to its local affiliates.

“We are confident over time we are going to build a local/national news audience that will compete directly with every other cable news channel,” Smith said to analysts. “And I have no doubt we are going to get paid for it.”

THE END