

SEPTEMBER 2013

OUR SUSTAINING MEMBERS:

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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.

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

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KCOS-TV

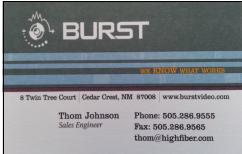
KELP-AM ARNOLD McClatchy.

MARSAND, INC.

Ho Tah Say. LLC











"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 midsize 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.

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EL PASO, TX CHAPTER 38 MEETING MINUTE DATE 8/13/2013LOCATION: 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-TIIFICATION 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 !!





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

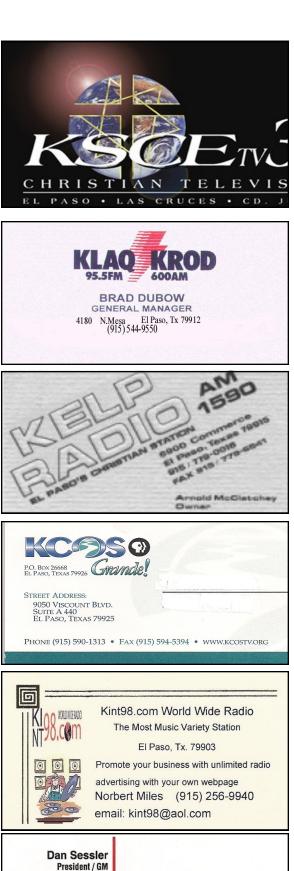
NEXT MEETING:

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 ?



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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