



September 8, 2014

Senator Jay Rockefeller  
Chairman, U.S. Senate Committee  
on Commerce, Science, and Transportation  
531 Hart Senate Office Building  
Washington, DC 20510

Senator John Thune  
Ranking Member, U.S. Senate Committee  
on Commerce, Science, and Transportation  
511 Dirksen Senate Office Building  
Washington, DC 20510

Dear Chairman Rockefeller and Ranking Member Thune:

The American Advertising Federation (AAF), the American Association of Advertising Agencies (4A's) and the Association of National Advertisers (ANA) represent the full spectrum of the advertising industry in the United States. Our collective membership comprises the businesses that purchase advertising the agencies that develop and present advertising messages, and the various media that depend upon advertising as a revenue source.

We are writing to express our concern with certain provisions included in the Satellite Television Access and Viewer Rights Act (STAVRA) that was circulated by Senate Commerce Committee leadership last week. Specifically, its inclusion of the previously outlined "Local Choice" proposal is particularly troubling to our members. While there is a lack of specificity about how this proposal might be implemented, our organizations have serious concerns with a concept that would allow viewers to exclude one or more primary local television stations – and the advertising carried by those stations – in order to implement an a la carte local broadcast station tier for which viewers would be charged each month.

The Communications Act ensures free over-the-air broadcasting television for all Americans, through which they can receive local news, weather, sports and entertainment that is paid for with advertising revenues. We are concerned that STAVRA risks undermining the local broadcast model and this long-held objective of communications policy.

We are not aware of any research studies or system trials that have been conducted to determine how the proposed payments for "local choice" would work in practice. We strongly urge the Senate Commerce Committee to thoroughly examine the prospective implementation of this radical new system and to meet with leaders in the television and advertising industries in order to gather a range of data and opinions about the impact it could have on viewing patterns as well as on the purchase and placement of advertising that assures a broad range of viewing choices for the American public.

Prior to any Committee consideration of the "Local Choice" proposal, it is essential for policymakers to first determine how this proposal would affect the system by which advertising

revenues finance the presentation of television programming to viewers. Each spring the networks participate in the “up fronts” in which they seek to attract advertising from national companies that are willing to purchase time to underwrite program costs in order to present their advertising messages.

A radical transformation of this system in order to implement the option of “local choice” could erode the entire national system for audience measurement that is essential to the economics of the current system. We would encourage you to proceed with caution before reaching agreement on this proposal and specifically to invite the views of the national and local advertising and media buying organizations to better understand how they and the system for providing financial support for programming would be affected.

Respectfully,

American Advertising Federation  
American Association of Advertising Agencies  
Association of National Advertisers