

Testimony of Barry M. Faber, Vice President and General Counsel of Sinclair Broadcast Group, Inc. before the Senate Commerce Committee
(July 23, 2003)

Good morning. My name is Barry Faber and I am the Vice President and General Counsel of Sinclair Broadcast Group. Sinclair is the nation's largest, independent, free, over-the-air television broadcaster, owning and/or providing services to more than 60 television stations in 39 markets across the United States.

At Sinclair, we take our commitment to meeting the locally-based needs of all of our communities very seriously. Each of our market-based station general managers makes a myriad of decisions from media sponsorship of local charitable events to carriage of community based programming, from the publicizing of local activities through the broadcast of community calendars to serving the informational needs of the community through the presentation of news programming.

I understand that this last topic -- news -- is the primary reason Sinclair was invited to participate in today's hearing. More specifically, the Committee is interested in the implementation of a centralized news service, known as News Central, that Sinclair is currently rolling out to a number of its markets. News Central is simply a service pursuant to which non-local news stories, that is certain national and international news, will be written and produced a single time at a centralized location for use at a number of stations. Rather than thirty-nine reporters in thirty-nine markets researching, writing and producing thirty-nine stories on a single national or international news event, the story will be produced a single time for broadcast in each of the markets.

I am well aware that there are some who criticize News Central for a variety of competitive or philosophical reasons or because they do not understand how News Central works. I welcome the opportunity to be here to set the record straight by explaining the significant contributions that News Central is making to localism.

Nationally, most ABC, CBS and NBC affiliates have numerous hours of local newscasts each day, whereas only a handful of WB and UPN stations in only the largest markets have any newscasts at all. Many FOX affiliates in medium and smaller markets also do not have news and even where they do, it is typically limited to one hour per day. Case in point, News Corporation's UPN 20 and Tribune's WB 50 here in Washington, DC -- a top ten market -- do not have news. Sinclair has television stations affiliated with the six major networks: ABC, NBC, CBS, FOX, WB and UPN and I believe our news operations have historically mirrored that of the rest of the industry.

Going forward, however, our News Central model is designed to achieve certain efficiencies so that we can provide viewers with more choices for local news particularly in the smaller markets where choices are already limited. News Central will allow Sinclair to launch local newscasts on FOX, WB, UPN and independent stations in medium and smaller markets, as well as to relaunch newscasts on big 3 affiliates where we previously discontinued local news operations due to financial and competitive concerns.

Other operating efficiencies are achieved by capitalizing on the newest technologies as we continue to build brand-new, state-of-the-art news facilities in numerous cities. All of these efficiencies allow us to launch local news on stations that

have neither had news in the past nor were expected to add news using the 50-year old news model.

Significantly, however, each market served by News Central will have a complete locally-based news team, consisting of reporters, producers, anchors, photographers, etc and these news rooms will focus 100% of their attention and resources on local news only. As a result, we believe these local news operations will provide a better-focused and more locally-tailored newscast than our competitors, which will continue to devote resources to producing national and international news stories that have no local impact.

At each News Central station, the local portion of the news is independently produced by the local staff based on their decision as to which news is of greatest interest to their specific community, then, at a commonly prescribed time, each of the stations turns the newscast over to the national/ international news desk at which point the single, centrally-produced news report will be broadcast on each of the stations.

The current economic and advertising climate, combined with the increasing popularity of national cable networks, has not been kind to local news operations. For example a major network-owned news operation was shut down in a top 10 city late last year. And last fall, two media giants discussed combining their cable and broadcast news operations with an aim toward saving \$100 million. A large portion of those savings would most likely have been in jobs and not equipment. However, we anticipate that by the end of this year Sinclair will have had a net increase of more than 200 news jobs since last summer with more growth to come. And we expect to grow our news force over the coming years as we continue to roll-out News Central.

I note, by the way, that the News Central model is far from revolutionary. For many years, like the newspaper model, local stations have relied on news services, such as CNN, to provide national and international news stories for use on a large number of stations across the country. CNN was built on the same model as is News Central, namely the efficiency of having a single report prepared for many stations. An even closer analogy to News Central can be seen in the network news model that hundreds of ABC, CBS and NBC affiliates have followed every day for decades. Under that model, these stations present a half-hour of primarily local news produced in their various communities, followed by a half-hour national and international newscast produced by their network in New York for broadcast in virtually every community in the United States.

Let me conclude by again noting how pleased I am to have had the chance to appear here today. Sinclair takes very seriously its responsibility to the many communities it serves and believes that News Central will allow us to better serve the public interest of these various localities. I hope my explanation of how the News Central model works has illustrated why this is the case and has cleared up any misperceptions that may have existed.