

**THE IMPACT ON THE AMOUNT OF NEWS PROGRAMMING FROM
CONSOLIDATION IN THE LOCAL TELEVISION STATION INDUSTRY**

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Abstract

The FCC's broadcast ownership rules, which generally prohibit a single entity from owning more than one television station in most markets, are inhibiting the production of local news in television markets across the country – especially in small television markets. As shown in this report, from 2014 to 2020, Gray Television was able to add more local news programming in markets where it acquired a second station or major network affiliation as compared to those markets where Gray's holdings remained constant. Moreover, the largest increases in local news production arose from consolidation in the smallest markets. With greater local scale from in-market consolidation, Gray was able to spread the high fixed costs of local news production across multiple stations or networks, which allowed Gray to produce more local news programming than those stations otherwise were able to produce separately. Based on Gray's experience, we anticipate that relaxing the FCC's ownership rules would lead to more local news, more local journalism, and more local newsroom jobs.

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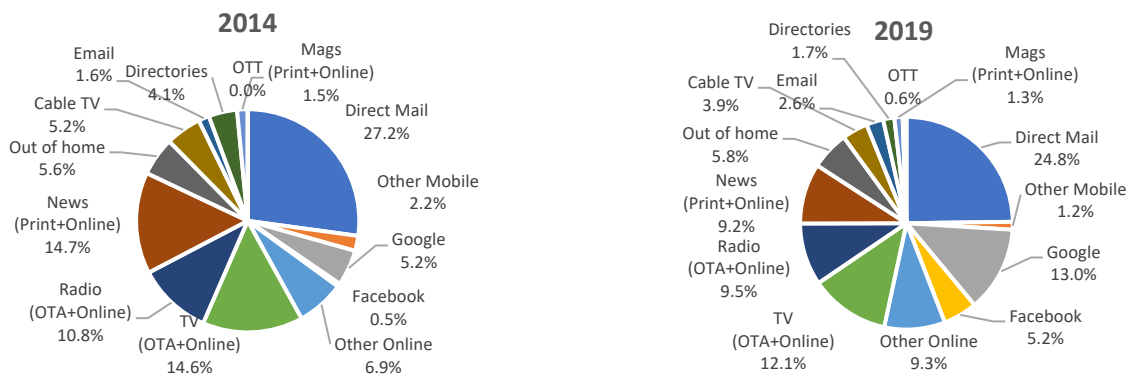
Executive Summary

Over the last several years, many economists, academics, and political leaders have become increasingly alarmed by the financial struggles of traditional local news providers. Larger and better capitalized digital companies are siphoning away news consumers and advertising dollars, yet these digital competitors do not provide the same high-quality local journalism to replace what is being lost. To counter these trends, some television broadcasters have suggested that the FCC can promote greater local news production simply by eliminating or relaxing various longstanding federal regulations prohibiting common ownership of more than one television station in a local market.

In this report, we review the economics and ongoing challenges of producing of local television news – especially in light of the advertising pullback from the COVID-19 pandemic. We also test the claims of the local broadcasters who argue that the greater efficiencies and economies of scale from common ownership of multiple television stations will in fact lead to the production of more local news programming. Specifically, we reviewed the number of hours of local news provided by Gray Television, Inc. in 93 of its local television markets in 2014 and in 2020 to determine whether Gray provides more local news in markets where Gray acquired another television station to gain additional local scale as compared to those where it did not.

We determined that, in markets where Gray acquired a second television station or an additional major network affiliation, Gray increased its weekly local news production far greater than in markets without any in-market consolidation, and the increase in weekly local news production was more pronounced in small markets, which generally remain under the most restrictive “one-to-a-market” FCC ownership rules originally adopted in 1941. Gray’s experience lends considerable support to the broadcasters’ arguments that relaxing the FCC’s ownership rules would lead to more local news, more local journalism, and more local newsroom jobs – especially in small markets.

For decades local advertising dollars have been the primary means by which local media outlets, including television and newspapers, have supported their news gathering activities. But, as Americans spend more time online and with mobile devices, and as consumers increasingly turn to digital platforms and social media for news, information, and entertainment, the business model that has fueled local news is under threat. With consumers moving to digital platforms, advertisers have followed, and, as a consequence, Google and Facebook, which have been the dominant advertising platforms in the digital space, have also become important advertising platforms for local advertisers. In fact, today, Google earns more local advertising revenue than all commercial television stations in the United States combined, and Facebook is getting closer every year, as shown in the charts below.



Source: BIA Advisory Services, LLC

Many local television broadcasters have argued that the time has come to relax these pre-World War II local ownership rules. By combining two or more stations in a market, local broadcasters claim they can spread the high fixed costs of producing local news over more stations, and they can cross-promote their news programming across multiple stations to drive more viewers to watch local news. All told, broadcasters claim that, by owning more stations in a market, local news is more likely to be profitable, which will incentivize television broadcasters to provide more of it. Because of the positive externalities associated with the provision of more local television news and because local television is the medium of choice during live breaking news involving local emergencies, severe weather, or civil unrest, local communities will also benefit from FCC ownership deregulation.

Gray’s experience in 93 of its local television markets, as detailed in this report, provides significant support for the broadcasters’ claims that FCC ownership deregulation will lead to more local news programming. Specifically, in markets where Gray had a Consolidation Event, Gray added more hours of local news than in markets without a Consolidation Event.¹ Moreover, some of the largest gains in local news programming from Consolidation Events were found in the smallest television markets. Some of the highlights of that analysis include:

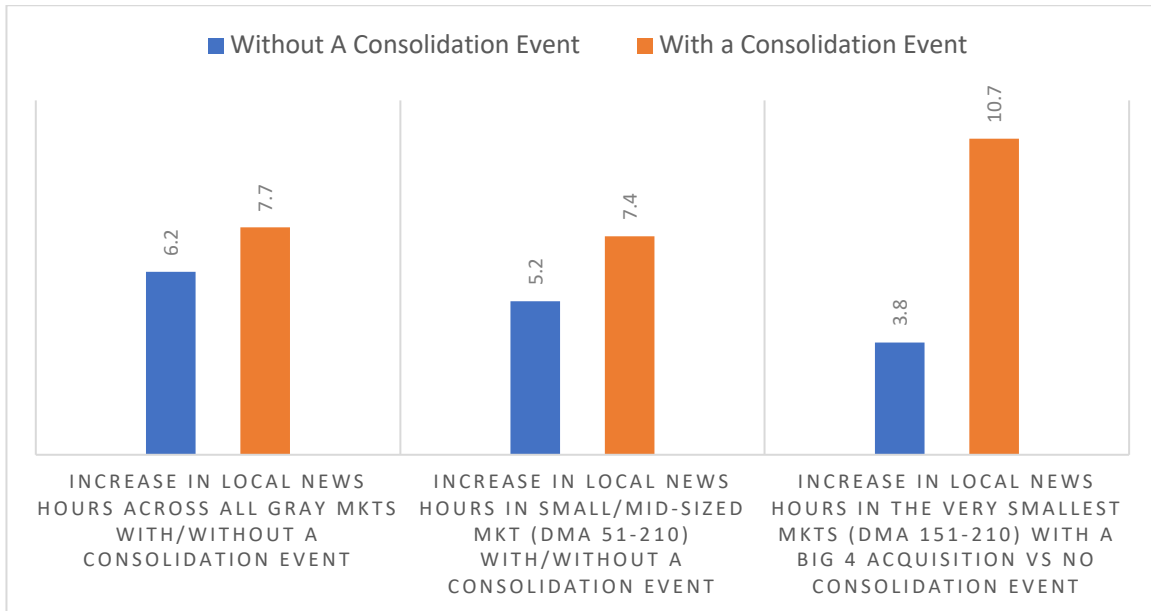
- Across the 93 markets studied, Gray added 625 hours of new regularly scheduled local news programming for an average increase across each market of 6.7 hours per week. In the average market, the Gray stations increased their weekly local news output by 22.9%.

¹ In markets where Gray already owned at least one television station, the following types of in-market acquisitions were considered “Consolidation Events”: (1) acquiring an existing ABC, NBC, CBS, or FOX (“Big Four”) affiliation in a market, including a full power or low power station affiliated with a Big Four network or moving a Big Four affiliation from a non-owned station to Gray-owned station; (2) acquiring an existing CW affiliation in a market, including on a full power or low power station or moving a CW affiliation from a non-owned station to a Gray-owned station; (3) acquiring a full power television station that is not affiliated with a Big Four network or the CW; (4) in a market that did not previously have a local Big Four affiliate (i.e., a “short market”), obtaining that affiliation and putting it on a Gray-owned full power or low power station; and (5) in markets where Gray had a shared services agreement or joint sales agreement with an in-market station, acquiring that station and its affiliations to bring them under Gray’s ownership. See Appendix A for the specific Consolidation Events studied.

- In markets with a Consolidation Event, the average market increased its weekly production of local news by 7.5 hours, and the average market increased its weekly local news output by 27.8%. By contrast, in markets without a Consolidation Event, local news increased by only 6.2 hours per week (an average market increase of only 17.5%).
- Large markets (markets ranked 1-50) saw large gains in local news output regardless of whether there was a Consolidation Event. The average large market expanded its local news programming by adding 12.8 additional hours per week of local news programming, and the average large market increased its weekly output of local news by 32.1%.
- Consolidation Events had the greatest impacts in mid-sized markets (markets ranked 51-100) and small markets (markets ranked 101-210). In these mid-sized and small markets, if Gray had a Consolidation Event, the average market increased its weekly output of local news by 7.4 hours (an average market increase of 27.9%). By comparison, in mid-sized and small markets without a Consolidation Event, total weekly local news increased by only 5.2 hours per week (a 18.2% increase).
- Some of the biggest gains were in the very smallest markets (markets between 151-210). If Gray obtained an additional pre-existing Big Four affiliation in one of these very smallest markets, local news output increased 10.1 hours per week (an impressive average increase in weekly news hours of 37.0% per market). This compares to an average increase of only 3.8 hours per week (an average of 16.6% per market) in the very smallest markets without a Consolidation Event.
- In seven of Gray's mid-sized and small markets, Gray has consolidated English-language and Spanish-language stations, and in four of those markets Gray shares the resources and equipment from its English-language station to provide local news in Spanish for its Spanish-language station.²

² On September 9, 2020, Gray acquired Telemundo affiliate KSIX-TV in the Honolulu, Hawaii DMA. Due to the recency of this transaction, KSIX-TV is not considered.

The following chart summarizes these results:



Many of the markets that saw the largest increase in the provision of local news programming hours were in Gray’s smallest markets. This accomplishment is particularly notable, as shown in the report, given the substantial amount of capital and operating costs to produce such programming and the smaller local advertising base available to support those investments.

With the increase in the amount of local news programming, Gray’s stations are better equipped to compete against other competitive advertising platforms, including from the rapidly growing digital space. Because these digital advertising platforms are taking a greater share of local advertising dollars from traditional media operators, Gray Television has seen its share of local advertising revenue decrease over the last six years, but, because Gray has added more local news to its stations in markets with Consolidation Events, the decrease in share is not as pronounced as it is in markets that did not have a Consolidation Event.

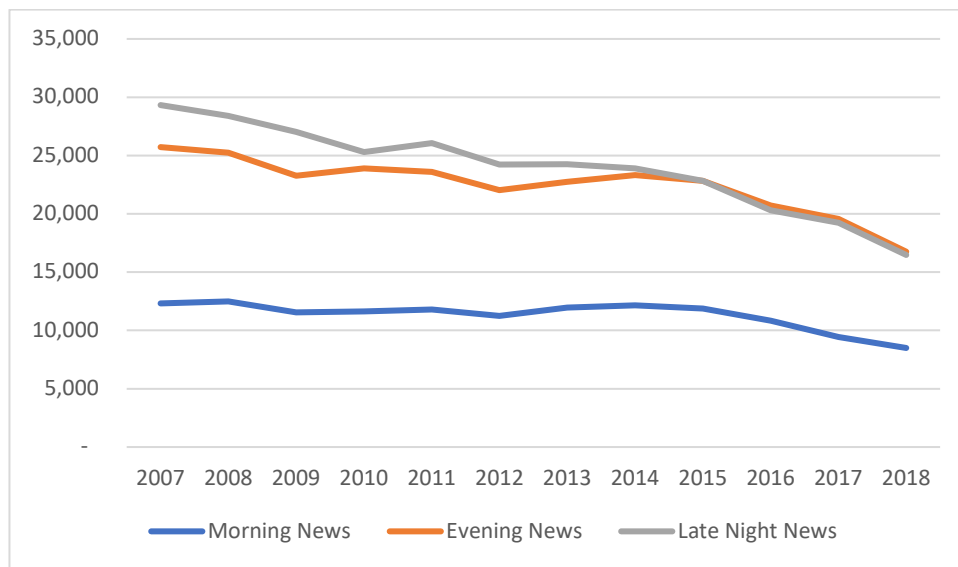
Gray’s experience in 93 of the 210 television markets demonstrates that relaxation of the FCC’s ownership rules – especially in mid-sized and small markets – is likely to lead to more efficient television combinations that will increase the hours of local news available to consumers and provide more of the positive social benefits associated with local television news.

Introduction

As we start a new decade, consumers benefit from a proliferation of sources for news, information, and entertainment. At the same time, national, regional, and local businesses have an increasing number of platforms to advertise their messages to attract and retain customers. Local television stations, faced with this squeeze of dwindling audiences (supply side) increased competition for advertising revenue (demand side), see this as their main challenge in maintaining their position.

On the audience side, the explosion of competitive alternatives for viewers' attention, including Internet video streaming services, social media platforms, and national cable networks, has contributed to the significant decline in viewership of local television news programming for stations affiliated with the Big Four networks as seen in the following chart.³

Figure 1- Total Viewership (1,000s) of Local News Programming of Big Four Affiliates During Key Time Slots

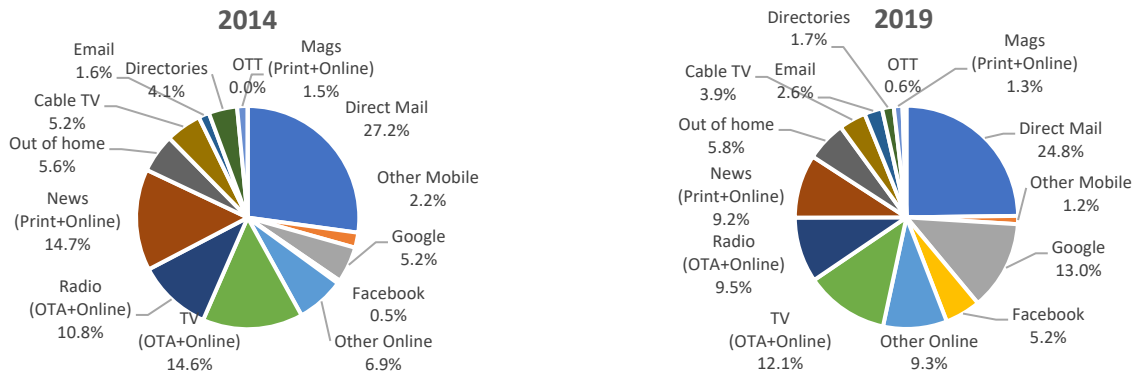


Meanwhile, competition for local advertising revenue, which is the primary source for funding local news operations, has intensified. Over the last decade, digital advertising

³ Data for 2007 to 2016 comes from Pew Research Center, Local TV News Fact Sheet (Jul. 13, 2017) available at https://www.pewresearch.org/wp-content/uploads/sites/8/2018/07/State-of-the-News-Media_2017-Archive.pdf#page=30. According to the Pew Research Center, Local TV News Fact Sheet (Jun. 25, 2019) available at <https://www.journalism.org/fact-sheet/local-tv-news/>, in 2017 and 2018 the total audience for morning news decreased year-over-year 12.9% and 10.0% respectively. Evening news decreased 5.6% in 2017 and 14.3% in 2018, and late-night news decreased 5.2% in 2017 and 14.4% in 2018.

platforms such as Google and Facebook have garnered an increasing share of local advertising dollars from companies seeking to reach local audiences. Figure 2 below shows the share of Google and Facebook in the local advertising marketplace for both 2014 and 2019.

Figure 2 - Local Advertising Market: Nationwide



These same factors – greater competition from digital platforms for readers and advertising dollars – were primary drivers of the demise of the local newspaper industry. Since 2004, more than 2,100 newspapers have shut down, and, since 2008, more than fifty percent of all newspaper reporter and editor jobs have been eliminated.⁴

In this increasingly competitive advertising market, the challenge of providing news and information programming in mid-sized and small markets is one of the main reasons local television stations have been arguing for relaxation of local ownership rules. Some have argued that with relaxation, local television station operations could spread the high fixed costs of producing local news among multiple stations and would have the necessary economies of scale to increase the production of local news.

Increasing the production and availability of local television news in markets across the country is an important public policy goal because of the positive externalities associated with local news. Study-after-study consistently shows that local television news is the most trusted source of news.⁵ This is true regardless of age, political affiliation, race, or any other common demographic.⁶ In addition, Americans who rely more heavily on social media for their news (and less on local television) are less knowledgeable of current events and are more likely to

⁴ Penelope Muse Abernathy, News Deserts and Ghost Newspapers: Will Local News Survive (2020) available at <https://www.usnewsdeserts.com/reports/news-deserts-and-ghost-newspapers-will-local-news-survive/the-news-landscape-in-2020-transformed-and-diminished/vanishing-newspapers/>.

⁵ Christine Schmidt, Local TV is Still the Most Trusted Source of News, Nieman Lab (Feb. 20, 2019), available at <https://www.niemanlab.org/2019/02/local-tv-is-still-the-most-trusted-source-of-news-so-how-do-you-collaborate-with-a-station/>.

⁶ Megan Brenan, Local News Media Considered Less Biased than National News, Gallup (Nov. 8, 2019) available at <https://news.gallup.com/poll/268160/local-news-media-considered-less-biased-national-news.aspx>; Megan Brenan, In U.S., 40% Trust Internet News Accuracy, Up 15 Points, Gallup (Aug. 22, 2019) (finding that local news remains most trusted source across all demographics) available at <https://news.gallup.com/poll/260492/trust-internet-news-accuracy-points.aspx>.

believe baseless conspiracy theories or other false claims.⁷ Americans who follow local news closely are far more likely to vote, feel an attachment to their local communities, and believe their voice can make a positive difference in their community.⁸ In markets where Spanish-language local television news becomes available, Hispanic voter participation increases.⁹ By contrast, when a community loses a source of local news, its residents become more polarized.¹⁰

To ensure greater production of local television news, the FCC has adopted various structural ownership rules to encourage more competition in local television markets. Since the dawn of the commercial television industry in the 1940s,¹¹ the FCC has prohibited a single entity from owning more than one television station in the vast majority of local markets. Despite the proliferation of media outlets and undeniable changes to the media ecosystem over the last 80 years, the FCC still prohibits a single entity from owning more than one full power television station in most markets, except under certain limited circumstances.¹² The FCC has justified these local ownership restrictions primarily on the belief that maintaining separate ownership of local television stations will spur greater competition among the local stations to encourage more local programming, including local news, which in turn benefits local viewers and advertisers.¹³

⁷ Amy Mitchell, Mark Jurkowitz, et al., Americans Who Mainly Get Their News on Social Media are Less Engaged, Less Knowledgeable, Pew Research Center (July 30, 2020) available at <https://www.journalism.org/2020/07/30/americans-who-mainly-get-their-news-on-social-media-are-less-engaged-less-knowledgeable/>.

⁸ Knight Foundation and Gallup, American Views 2020: Trust, Media, and Democracy; A deepening Divide (2020), at 44-45, available at <https://knightfoundation.org/wp-content/uploads/2020/08/American-Views-2020-Trust-Media-and-Democracy.pdf>.

⁹ See Felix Oberholzer-Gee and Joel Waldfogel, Media Markets and Localism: Does Local News en Español Boost Hispanic Voter Turnout?, *Am. Econ. Rev.* 2009, Vol. 99, No. 5, pp. 2120–2128.

¹⁰ Joshua P. Darr, Matthew P. Hitt, Johanna L. Dunaway, Newspaper Closures Polarize Voting Behavior, *Journal of Communication* (Dec. 2018), available at <https://academic.oup.com/joc/article-abstract/68/6/1007/5160090?redirectedFrom=fulltext>.

¹¹ Federal Communications Commission, “Part 4 - Broadcast Services Other Than Standard Broadcast,” 6 Fed. Reg. 2282, 2284-2285 (May 6, 1941) (adopting the “one to a market” rule for local television stations).

¹² See 47 C.F.R. § 73.3555(b) & Note 7 (setting forth the FCC’s “eight voices/Top-4” test which allows limited consolidation under circumstances that rarely occur in markets ranked from 51-210 and providing a narrow waiver procedure for “failed” or “failing” stations).

¹³ *2014 Quadrennial Regulatory Review – Review of the Commission’s Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996*, 31 FCC Rcd 9864, ¶26 (2016) (“Competition within a local market motivates a broadcast television station to invest in better programming and to provide programming tailored to the needs and interests of the local community in order to gain market share. By thus strengthening its position in the local market, a television broadcaster also strengthens its ability to compete for advertising revenue and retransmission consent fees, an increasingly important source of revenue for many stations. As a result, viewers in the local market benefit from such competition among numerous strong rivals in the form of higher quality programming.”).

The purpose of this paper is to demonstrate whether the FCC's structural ownership rules are counterproductive and whether greater consolidation – especially in small and midsized markets – will lead to greater provision of local news in those markets. Specifically, we examine the provision of local news programming for Gray Television in 93 of its markets and how much it has changed over the last six years. We examine whether there have been larger increases in the amount of news programming in markets where Gray has had a Consolidation Event versus the markets where Gray's holdings have remained constant. We also discuss the growing costs of providing that news programming as well as the market position of Gray's television stations that are producing more local news programming.

Gray's experience demonstrates that in markets with a Consolidation Event, Gray increased the amount of local news programming at higher levels than in markets without any changes. In mid-sized and small markets, the increase in news programming hours is particularly noteworthy given the substantial capital and operating expenses associated with this programming. With the added local news programming, Gray was able to compete more effectively in its local advertising marketplaces. In sum, local consolidation allowed Gray to offer more services to its local communities while maintaining a solid financial position.

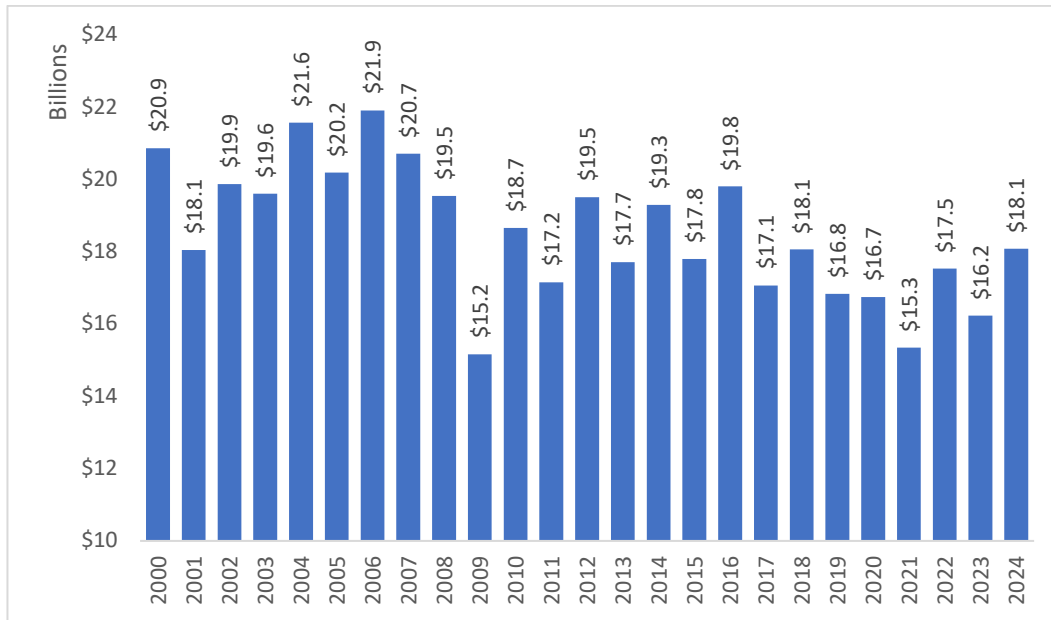
Economic Conditions Facing the Local Television Industry and Its Hampered Ability to Respond with More Local News Programming

The recent economic fallout from the COVID-19 Pandemic is adding to the challenge of many local television stations to provide local news programming. Initially, before the pandemic, broadcasters were forecast to benefit from strong local ad spending related to the 2020 Summer Olympics and a highly anticipated Presidential election year. While political advertising remains robust and unaffected by the pandemic, other advertisers have scaled back significantly. In fact, we now forecast that total over-the-air advertising revenue for local television broadcasters in 2020 will be 0.6% percent lower than it was in 2019 (a non-political year) and -12.9% lower than 2018, which was the last comparable year with significant political advertising activity.¹⁴ We anticipate that 2020 will be the first political year in more than a decade that total broadcast television advertising revenue will be lower than the immediately prior non-political year. In light of these trends and the continued gains for digital media companies, we do not foresee broadcast advertising revenues reaching 2018 levels again until 2024.¹⁵ Figure 3 below shows the over-the-air advertising revenue for all local television stations through 2024.

¹⁴ BIA ADVantage, September, 2020, BIA Advisory Services, LLC.

¹⁵ Ibid.

Figure 3 - Total Local Television Over-the-Air Advertising Revenue. Industry Totals: 2000 - 2024



Source: BIA Advisory Services, LLC

The diminished revenue forecast for television broadcasters creates a tremendous challenge for stations offering local news. It remains very costly to provide high quality local television news programming. There are significant fixed costs of maintaining such operations (e.g., news sets, cameras, and other technical equipment) as well as substantial operating costs (e.g., salaries of news staffs, weather service subscriptions, etc.).

As local advertising dollars have gravitated towards digital platforms, local news gathering has suffered. Since 2004, the United States has lost 2,100 newspapers, accounting for more than 25% of the country’s local newspapers.¹⁶ Local television stations (so far) have proven more resilient, but cracks are beginning to appear. Indeed, some television stations in small, rural markets already have begun cutting back on local news citing economic conditions.¹⁷ With local television advertising expected to drop by -0.6% in 2020 (even with considerable political advertising) compared to 2019 (with very little political advertising), the economic pressures on local television stations will likely increase, and more television stations may be forced to cut back on local news – especially those stations that already were on the brink in 2019.

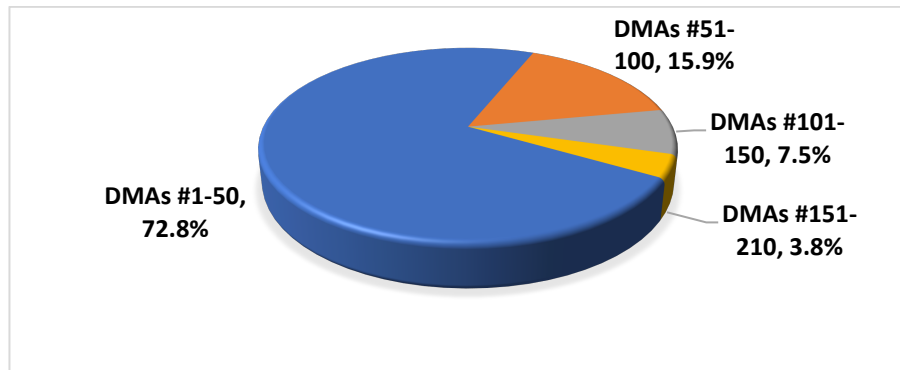
These problems are exacerbated in mid-sized and small television markets. As shown later in this paper, the fixed costs of providing news in mid-sized and small markets is still quite

¹⁶ Penelope Muse Abernathy, News Deserts and Ghost Newspapers: Will Local News Survive (2020) available at <https://www.usnewsdeserts.com/reports/news-deserts-and-ghost-newspapers-will-local-news-survive/the-news-landscape-in-2020-transformed-and-diminished/vanishing-newspapers/>.

¹⁷ See, e.g., Nick Learned, Casper’s K2TV Fires Anchors, Scraps Some Local Newscasts after Ownership Change (June 22, 2020) at <https://k2radio.com/caspers-k2tv-fires-anchors-scraps-some-local-newscasts-after-ownership-change/>.

substantial (e.g., the cost of a studio camera is the same irrespective of market size), yet the advertising revenue potential in mid-sized and small markets is significantly lower. Potential advertising revenue in a small or mid-sized market (markets ranked 51-210) is several orders of magnitude lower than the potential for a television station in a large market (markets ranked 1-50). By way of example, in 2019 the top grossing television station in New Orleans (DMA #50) earned more advertising revenue than all of the commercial television stations in Sioux Falls, South Dakota (DMA #113) combined.

Figure 4 - Distribution of Local Advertising Revenue in 2019 by Market Size



Source: BIA Advisory Services, LLC.

Costs of Operating News Operations at Local Television Stations

Before directly examining the amount of local news programming at the Gray Television stations, it is important to understand the costs involved with this type of programming. These costs involve both operating and capital costs to build and maintain a comprehensive local news operation.

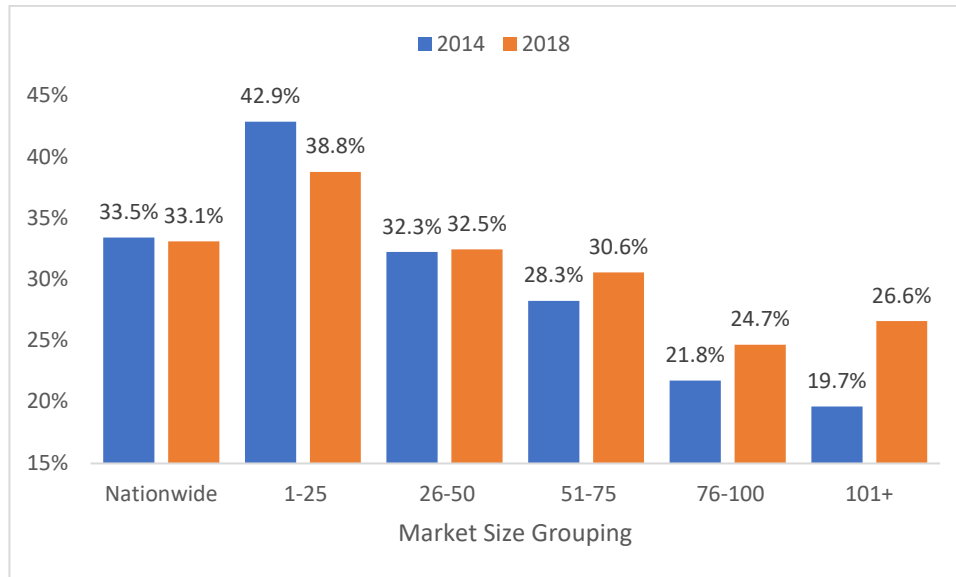
Operating Costs

To get a sense of the operating costs, we examined the 2014 and 2018 results from the NAB Television Financial Reports that show the results for those years.¹⁸ Specifically, we looked at the percentage of the total operating expenses attributable to the news operation for the average ABC, CBS, and NBC affiliates in different market sizes.¹⁹ To simplify the presentation, we averaged the values reported for each of these three groups of affiliates for each of the market size groupings. Figure 5 below shows the average percentage of news operations out of the total operating expenses for the three affiliate groups combined nationwide and for various market size groupings for both 2014 and 2018.

¹⁸ 2015 and 2019 NAB Television Financial Reports, National Association of Broadcasters, Tables 49-60, 66-71. At the time of this report writing the 2019 results were not available.

¹⁹ We only included affiliates for those three networks as they are more likely to have local news operations than stations affiliated with other networks or stations that are independent. While some of these affiliated stations may not have a full news operation, most do.

Figure 5- Average News Operations Percentages of Total Expenses by Market Size Grouping



Source: 2015 and 2019 NAB Television Financial Reports

While the overall percentage of total operating costs attributable to the local news operations slightly decreased from 2014 to 2018 nationwide, there is a noticeable difference between the largest markets (market size 1-25) and the mid-sized (market size 51-100) and small markets (market size 101 and higher). In those mid-sized and small markets, the share of expenses devoted to news has increased, and the smallest markets have incurred the largest increases.

Stations in mid-sized and small markets are devoting a greater share of their operating budgets to news at the same time as ratings and revenue from news face greater competitive pressures for viewers and advertisers. Additionally, these mid-sized and small market stations must rely on a much lower local advertising base and, thus, operate at much smaller profit margin. As a result, expenses are well scrutinized. Any ability to create cost savings through combined operations can make the provision of news programming more likely, as we will see below in the Gray Television markets that were consolidated.

Capital Costs

Starting a news operation requires a considerable upfront capital investment in equipment and studio space. This capital investment is not only for technical equipment (e.g., cameras, satellite trucks), but also building space for staff to work, report, and produce their daily newscasts (e.g., construction of studio space, a news set, and a newsroom). Based on its experience constructing or remodeling several buildings, news sets, and news studios over the last few years, Gray was able to provide estimates of these costs. The table below shows the build out capital costs for a new news operation for stations in three different market size ranges: market size 1-50, 51-100, and 101+.

The Amount of Local News at Gray Television Stations

Table 1 - Estimates of Capital Costs for Local News Operations By Market Size Grouping

Category	Mkts. 1-50	Mkts 51-100	Mkts 101+
Build out the News Studio Room	\$ 437,500	\$ 350,000	\$ 262,500
Purchase/Install a News Set	\$ 531,250	\$ 425,000	\$ 318,750
Lights for the Studio	\$ 150,000	\$ 120,000	\$ 90,000
Build out a Newsroom for Journalists and Reporting Staff	\$ 937,500	\$ 750,000	\$ 562,500
Furniture for Newsroom	\$ 75,000	\$ 60,000	\$ 45,000
Computers for Newsroom	\$ 50,000	\$ 40,000	\$ 30,000
News Edit/Archive Infrastructure	\$ 100,000	\$ 80,000	\$ 60,000
IT Infrastructure to support News	\$ 156,250	\$ 125,000	\$ 93,750
Field Gear for Photogs/MMJs	\$ 165,000	\$ 132,000	\$ 99,000
Bonded Cellular Solutions	\$ 137,500	\$ 110,000	\$ 82,500
Vehicles	\$ 360,000	\$ 288,000	\$ 216,000
Live Trucks	\$ 700,000	\$ 350,000	\$ 150,000
Build Out 2 GHz ENG capability	\$ 400,000	\$ 250,000	\$ 150,000
Weather Equipment for Meteorologists	\$ 137,500	\$ 110,000	\$ 82,500
Build out Production/Control Room	\$ 125,000	\$ 100,000	\$ 75,000
Equipment for Production/Control Room & Integration	\$ 1,500,000	\$ 1,200,000	\$ 900,000
Generator, UPS	\$ 375,000	\$ 300,000	\$ 225,000
Digital Integration/OTT	\$ 125,000	\$ 100,000	\$ 75,000
Marketing Editor	\$ 32,000	\$ 16,000	\$ 12,000
Total Capital Costs	\$ 6,494,500	\$ 4,906,000	\$ 3,529,500

The total capital costs range from nearly \$6.5 million in the largest markets to over \$3.5 million in the smallest markets. The costs for larger markets are higher, in part, because larger markets tend to have larger news staffs, produce more hours of news per week, have more highly populated suburban areas to cover, and must cover breaking news that is more likely to occur in disparate regions within the market instead of just the central city. Thus, even though most equipment costs the same regardless of market size, in a large market a station likely needs more of it.

While these start-up capital costs are formidable, especially for stations in the mid-sized and small markets, they do not stop once the news operation is established. Annual support and maintenance fees and other related operating fees for some of this equipment are necessary. Gray's engineering staff estimates that such annual maintenance and support fees range from nearly \$368,000 in small markets (markets ranked 101 and higher), \$491,000 in the mid-sized markets (markets ranked 51-100), \$613,000 for large markets (markets ranked 1-50).

Finally, a station must hire and retain a professional news staff, including producers, reporters, anchors, and meteorologists. Although stations in small markets tend to have a smaller news staff than stations in larger markets, even in the smallest of markets with the smallest news staffs, a broadcaster must spend several hundred thousand dollars per year on salaries, benefits, and training.

Clearly, with capital equipment and operating expenditures of this magnitude, a station must generate significant annual operating revenue to recoup this investment. In many mid-sized and small markets, the advertising base is not large enough to support multiple stations in the market providing a substantial number of hours of local news programming. Consolidation of operations, however, would provide significant cost savings (e.g., building one studio, one news set, one newsroom, one control room, one suite of editing software, etc.) that might enable owners of these local operations to allow them to profitably support additional news programming.

Provision of News on Gray Owned Local Television Stations

Gray's corporate strategy is to acquire top-ranked news-producing local television stations and expand their local news brands. Indeed, Gray owns more top-ranked local stations than any other television broadcaster,²⁰ and Gray's stations produce more than half of the top-50 highest rated local newscasts in the country.²¹ Gray now owns stations in 94 different television markets, and in each market Gray looks for ways to grow its news programming by adding hours of local news, expanding to new platforms, and obtaining more local scale.

To quantify that increase in news programming, management at all of Gray's stations were asked to provide the total weekly hours of news programming that their stations offered in May 2014 and what they plan to air in September 2020. Only hours of original news programming were included in all of the market totals. In other words, any simulcasts or replays of news programming from the same market were *not* included in the market totals. In markets where Gray acquired a station or an affiliation, Gray provided the hours of local news that the acquired station or affiliation was providing in May of 2014 before Gray acquired it. Appendix A of this report shows the detailed responses to that survey for the two time periods for each of the markets as well as information about the Consolidation Events (if any) in those markets.

Across the 93 markets that Gray surveyed,²² the total increase in weekly news programming was 625 hours, and the average market increased its weekly news programming by

²⁰ Gray Television, Inc., Investor Presentation at 6 (June 25, 2018) available at <https://gray.tv/uploads/documents/presentations/GrayTelevisionInvestorPresentationJune.pdf>

²¹ Gray Television, Inc., Investor Presentation at 3 (Nov. 2019) available at https://gray.tv/uploads/documents/presentations/Stephens_2019_Nashville_Investment_Conference.pdf

²² Gray acquired two low power television stations in the Juneau, Alaska DMA on July 31, 2020. Because of the recency of that transaction, the Juneau DMA was not surveyed.

6.7 hours, representing an average increase of 22.9% in the weekly hours of local news across all Gray markets. The median value was an increase of 5.0 hours per week, a 18.2% increase.²³

While this increase across all of the Gray Television markets is impressive, the corresponding values where Gray had a Consolidation Event are even larger. In those 35 markets, the average increase in weekly news programming was 7.5 hours, representing an average increase of 27.8% per market. The median market also saw an 8.3 hour increase in the amount of weekly news programming hours, and the median market increase was 21.0%.

The increase in the weekly output of local news was particularly impressive in mid-sized and small markets, and it stands in contrast to the smaller gains in the other small and mid-sized markets where Gray did not have a Consolidation Event.

Table 2 - Average Increase for Gray Television in the Provision of Local News in Mid-Sized and Small Markets Where It Had a Consolidation Event Compared to Markets without a Consolidation Event

Market Size Range	Markets <u>With</u> a Consolidation Event			Markets <u>Without</u> a Consolidation Event		
	# of Markets	Average Increase in Hours	Average % Increase by Market	# of Markets	Average Increase in Hours	Average % Increase by Market
51 – 100	10	10.1	34.7%	20	6.2	11.7%
101 – 150	10	7.8	25.4%	15	5.5	12.5%
151+	14	5.3	24.7%	16	3.8	8.9%

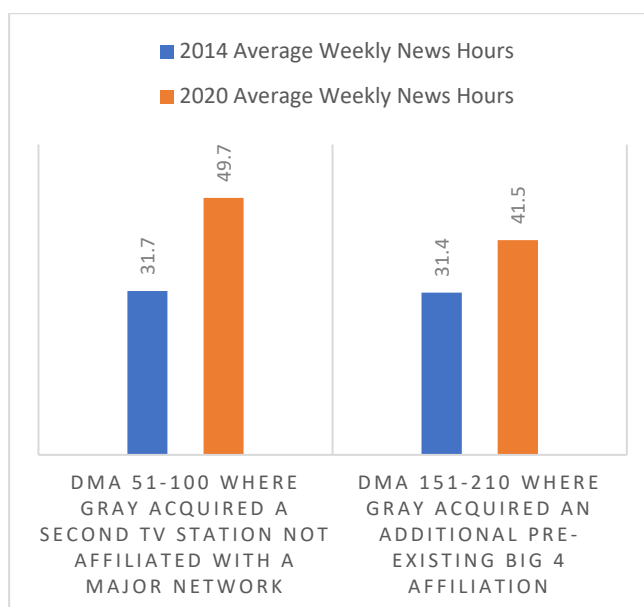
This substantial increase in the hours of news programming across different market sizes is especially notable given the precarious position in which all local television stations find themselves in 2020. Given the Covid-19 pandemic and the resulting economic shutdowns, many national, regional, and local advertisers have been curtailing their spending. While in some markets political advertising has mitigated this dramatic cutback, many local television stations are seeing double digit decreases in their advertising revenue. Maintaining a significant news operation in the face of this extraordinary decrease in revenue is quite a challenge, and, with Gray Television showing substantial increases in the hours of news programming, it is quite a feat.

Of the various market sizes and types of Consolidation Events, two in particular stand apart as offering the largest increases of local news programming. First, in mid-sized markets

²³ Note that this large increase does *not* include same market repeats of news programming at alternative times or simulcasts of news programming. While those rebroadcasts provide news programming to viewers that they otherwise would not have seen and offer many of the same positive externalities associated with local news, we did not include these additional hours of news programming in our analysis. The analysis, however, does include local newscasts that are simulcast from an adjacent, in-state DMA. Especially in geographically small DMAs, some DMAs have close ties and news from one DMA is highly relevant to residents in an adjacent DMA.

(ranked 51-100) where Gray acquired a second full power television station that was not affiliated with a Big Four network or the CW (e.g., acquiring an independent station, a MyNetwork TV affiliate, or a Telemundo affiliate), the average market increased its local news output by 18 hours per week for an average increase of 66.9% per market. Second, in the very smallest markets (ranked 151-210), where Gray acquired an additional, pre-existing Big Four affiliate, the average market increased its local news output by 10.1 hours per week, which is an average increase of 37.0% per market.

Figure 5- Increase in Average Weekly Local News Programming In Markets after Certain Types of Consolidation Events



The large increase in local news output for these specific types of Consolidation Events is not surprising. In mid-sized markets (markets ranked 51-100), stand-alone full power stations that are not affiliated with a Big Four network rarely earn enough advertising revenue to support the capital and operating expenses of running a local news operation. Similarly, because the local advertising base in the very smallest markets (markets ranked 151-210) is so small, it is common that only one or two station groups in the market will provide any local news programming. The smallest markets do not have enough potential advertising revenue to support a third or fourth independent news operation. Thus, with these specific types of Consolidation Events, it is much more likely that the station or Big Four affiliation that Gray acquired was not providing any local news before the transaction, and Gray was able to rely on the resources from its existing station in the market to add several new newscasts to the newly acquired station.

While the above statistics tell the overarching story of Gray Television’s provision of local news programming, a further look at some of these markets can really add some color. Specifically, the following table shows eight markets that had various Consolidation Events over the last six years that led to a large increase in weekly news. In each instance, the acquired station was not providing any local news programming before the Consolidation Event.

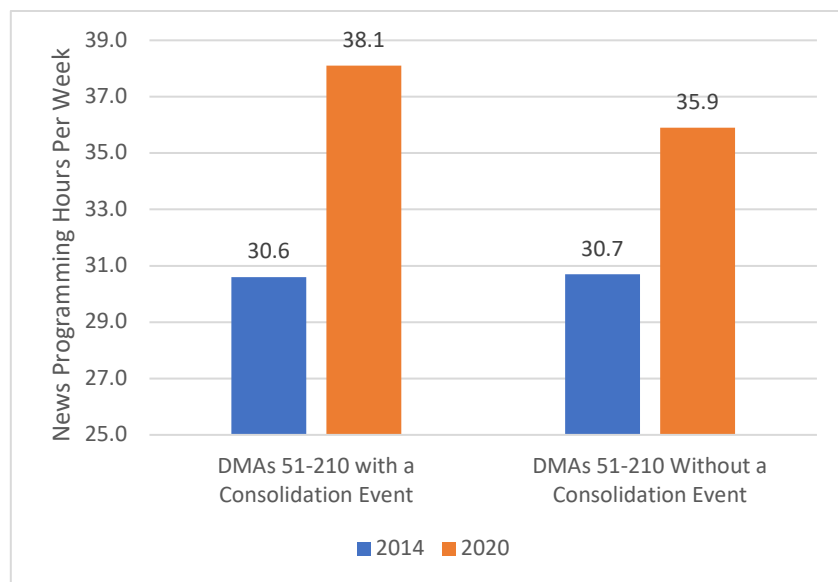
Table 3 - Top Percentage Increases in News Provision by Gray in Markets Where they Acquired Another Station or Affiliation

Market	Market Rank	Average Weekly Hours of Local News				Consolidation Event
		May 2014	Sept. 2020	Hours Added	Percentage Change	
Roanoke-Lynchburg	69	24.0	55.5	31.5	131.3%	Gray acquires independent station WZBJ(TV) and combines it with existing CBS affiliate WDBJ(TV)
Charleston-Huntington	74	31.5	58.5	27.0	85.7%	Gray acquires CW affiliate WQCW(TV) and combines it with existing NBC affiliate WSAZ-TV
Laredo	184	19.5	30.5	11.0	56.4%	Gray acquires CBS on KYLX-LD and combines it with existing NBC, ABC, and Telemundo affiliates on KGNS-TV
Lake Charles	170	29.5	45.0	15.5	52.5%	Gray enters into SSA with FOX affiliate KVHP(TV) and shares resources with existing NBC affiliate KPLC(TV)
Fargo-Valley City	116	32.5	47.5	15.0	46.2%	Gray obtains CW affiliation for a multicast for KXJB-LD and combines it with existing NBC and CBS affiliates for KVLV(TV)
Columbia	75	33.0	46.5	13.5	40.9%	Gray obtains CW affiliation for a multicast of NBC affiliate WIS(TV)
Reno	104	27.0	38.0	11.0	40.7%	Gray obtains CW affiliation for a multicast of ABC affiliate KOLO(TV)
Minot-Bismarck	146	34.5	44.5	10.0	29.0%	Gray acquires FOX affiliation for a multicast of NBC affiliate KFVR(TV).

Another news programming benefit from the Gray local market acquisitions has been the provision of Spanish-language news programming. In four of its small markets – Tyler-Longview (market size 114), Amarillo (market size 132), Odessa-Midland (market size 145), and Laredo, TX (market size 184) – Gray has combined one or more Big Four affiliates with a local Telemundo affiliate and provides local Spanish-language news programming on the Telemundo affiliate using the resources from Gray’s news-producing, Big Four affiliate in the market. Given the small sizes of these markets, this provision of local news in Spanish would not be possible without the synergies from multiple station ownership. In addition to strengthening the position of the Gray Television stations in these markets due to this additional news programming, this provision of Spanish-language news programming has been shown to increase the voter participation of this traditionally underserved demographic group.²⁴

In sum, Gray Television overall has seen a remarkable increase in the provision of local news on a per market basis over this time period. The increase is noticeably larger when considering only those markets where Gray Television had a Consolidation Event, and when narrowing further to Consolidation Events in mid-sized and small markets (markets ranked 51-210), the disparity grows even more. The figure below summarizes those findings.

Figure 6 - Summary of Gray Television Provision of Local News Programming



Gray was able to increase its output of local news programming considerably in markets with a Consolidation Event because of the tremendous efficiencies and economies of scale that occur when combining two television stations. Based on Gray’s experience and larger trends in the television industry, those efficiencies appear to arise largely from eliminating duplicative capital costs and not from eliminating newsroom jobs. In fact, because producing more hours of

²⁴ See Felix Oberholzer-Gee and Joel Waldfogel, *Media Markets and Localism: Does Local News en Español Boost Hispanic Voter Turnout?*, *American Economic Review* 2009, Vol 99, No5, pp. 2120–2128.

local news programming per week is associated with having a larger newsroom staff,²⁵ we anticipate that many markets will have more newsroom employees after a Consolidation Event than before.²⁶

Effect of Consolidation Event on Newsroom Staffing Levels

Gray did not have data available on the number of newsroom employees at all of its stations in 2014 or in the markets that had Consolidation Events. Therefore, it is not possible to determine whether there is a correlation between Consolidation Events and an increase or decrease in newsroom staffing levels at Gray's stations. Nevertheless, based on the larger increases in local news programming in markets where Gray had a Consolidation Event, we believe the Consolidation Events resulted in Gray increasing the total number of newsroom employees in those markets.

For television stations that already are producing local news and that already have made the upfront capital investment, the marginal costs from producing additional newscasts and broadcasting more hours of local news typically are limited to the costs of hiring and paying any new employees that may be necessary to produce the additional programming. For most television stations, local news is the most profitable programming on its schedule. Unlike syndicated or network programming, the local station controls all of the advertising units in its local newscasts and does not share those spots or revenue with a syndicator or network. Therefore, most television stations attempt to maximize the number of hours of local news that their current newsroom staff can produce. Consequently, if a television station adds a new local newscast to its schedule, the station will likely need to hire additional newsroom employees to produce that newscast. Otherwise, if it were possible for a station's existing staff to produce more news programming, we would expect the station to have already done so. Indeed, Gray's senior management estimates that, for each hour-long newscast that is added to a station's schedule, the station typically must hire three new employees: a producer, an anchor, and a reporter.

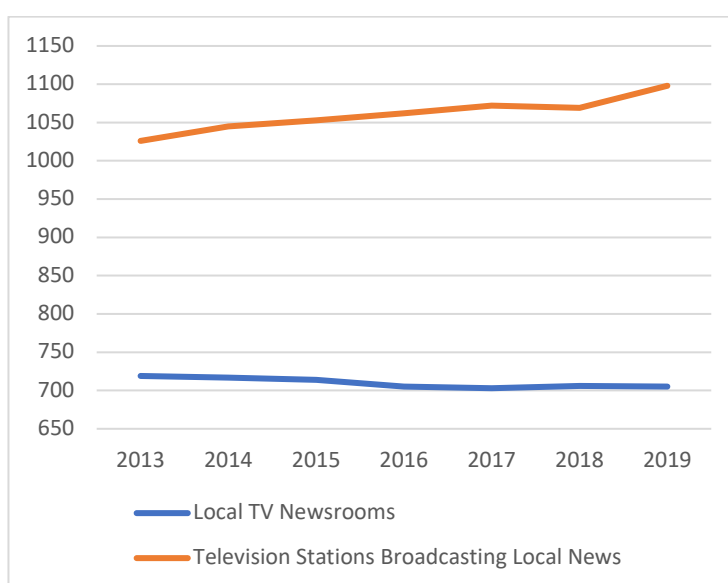
In markets where Gray had a Consolidation Event, Gray added more hours of local news programming and more local newscasts than in markets without a Consolidation Event. Therefore, we believe that the Consolidation Events have caused Gray to hire more newsroom employees in those markets than the market would otherwise have supported without the Consolidation Event.

²⁵ Bob Paper, [A Shocking Development: A Small Increase in Local TV Newsrooms . . . and a Record Amount of Local News, 2019 RTDNA/Hofstra Univ. Newsroom Survey available at https://www.rtdna.org/uploads/files/2019%20RTDNA-Hofstra%20Survey%20TV%20News%20Numbers.pdf](https://www.rtdna.org/uploads/files/2019%20RTDNA-Hofstra%20Survey%20TV%20News%20Numbers.pdf) (showing that television stations with larger staffs produce more hours of news).

²⁶ Commissioner Michael O'Rielly, FCC Action Generates More Local News (June 25, 2020) at <https://www.fcc.gov/news-events/blog/2020/06/25/fcc-action-generates-more-local-news> (explaining that Gray's combination of two stations in Sioux Falls, South Dakota "not only saved jobs but also led to a direct increase in local news programming and greater demand for news talent in this market").

This conclusion is consistent with general industry trends. Beginning in 2013, the RTDNA began tracking the number of local television newsrooms around the country. In 2013, 719 local television newsrooms produced news for 1,026 television stations.²⁷ By 2019 (the latest year for which the RTDNA data is available), there were 14 fewer newsrooms, but 72 more television outlets were broadcasting local news programming.²⁸ In other words, by 2019, there had been a significant consolidation of local television newsrooms resulting in fewer newsrooms producing newscasts for more stations – whether via commonly owned television stations, commonly owned multicast channels, or separately owned stations that receive news via a shared services or news production agreement. The seven-year period between 2013 and 2019 saw several major local television transactions and significant local television consolidation.²⁹

Figure 7- Total Number of Local Television Newsrooms and Television Stations Broadcasting Local News (2013-2019) from RTDNA Surveys



Source: RTDNA

This period of significant consolidation from 2013 to 2019 saw the average weekly hours of local news increase by 13.8% and newsroom employment increase by 17.4%.³⁰ This increase

²⁷ Bob Papper, More Stations Producing Local News, RTDNA (June 16, 2014) *available at* https://www.rtdna.org/article/more_stations_producing_local_news.

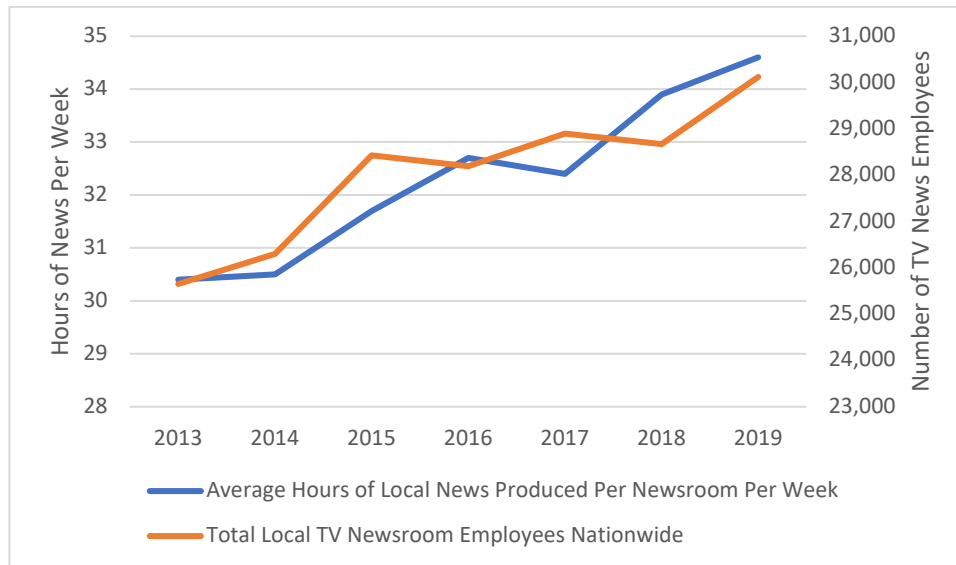
²⁸ Bob Papper, More Stations Run Local News than Ever Before . . . But One Fewer Station Producing It, RTDNA (2020) *available at* <https://www.rtdna.org/uploads/files/2020%20RTDNA%20Survey%20-%20Stations.pdf>.

²⁹ According to the RTDNA, in 2014 27.8% of local television stations producing news reported being involved in a shared services or similar agreement. By 2017, that number increased to 32.2%. Bob Papper, Local News by the Numbers, at 11 (June 13, 2018) *available at* <https://www.rtdna.org/uploads/files/2018%20Local%20News%20Research.pdf>.

³⁰ Total local television newsroom employment data comes from Elizabeth Grieco, U.S. Newspapers Have Shed Half of Their Newsroom Employees Since 2008, Pew Research Center (Apr. 20, 2020) *available at* <https://www.pewresearch.org/fact-tank/2020/04/20/u-s-newsroom-employment-has->

in news programming and news employment occurred despite local television advertising revenue in political and non-political years remaining largely flat compared to prior political or non-political years during the same period of time.

Figure 8- Average Hours of Local TV News Produced Per Week and Total Local TV News Employees (2013-2019)



Source: RTNDA and Pew Research Center

For local news programming and local news employment to increase from 2013 to 2019 despite advertising revenue staying relatively flat and despite digital advertising platforms gaining significant share of local advertising revenue suggests that television stations were able to operate more efficiently. The significant amount of in-market consolidation that occurred from 2013 to 2019 and the ability of local newsrooms to produce news across more in-market television stations was likely a major cause of the increased efficiency, which allowed television broadcasters to hire more newsroom staff.

Gray Television Station Financial Performance After Increased Provision of News Programming

As mentioned earlier, broadcasting local news programming is challenging due to its high capital and operating costs. Nowhere is that challenge more difficult than in the mid-sized and small markets. With the commitment to the increased hours of news programming Gray Television has taken a risk as to whether it could cover those increased expenses with increased revenue.

[dropped-by-a-quarter-since-2008/](#). The average hours of local news produced per week was obtained from the RTDNA’s annual Local Broadcast Newsroom Surveys available at <https://www.rtdna.org/research>.

To see how well Gray has done in terms of advertising revenue we examined Gray's over-the-air advertising revenue and its share of the local advertising market for 93 of its television's markets.³¹ Specifically, we examined those revenue estimates for 2014 and 2018.³²

Overall, across the 93 markets, the stations that we studied generated an average market total of over-the-air advertising revenue of \$15.844 million in 2014 and \$15.425 million in 2018. The corresponding median values for these 93 markets were \$14.400 million in 2014 and \$14.025 in 2018. Note that both of these values decreased during this time period, primarily due to the increased competition local television stations are facing in their local advertising markets from various advertising platforms, including especially Google and Facebook, which each saw their share of local advertising revenue nationally increase by 7.8% and 4.7% respectively.

The effect of new competitive advertising platforms can more easily be seen with the changing shares of the total advertising market. Across the 93 markets, the stations that we studied had an average 6.6% market share and a median market share value of 5.5% in 2014. The corresponding 2018 shares are 6.2% for the average market and 5.4% for the median market. Clearly, the Gray Television stations are facing increased competition for advertising revenue across all of their markets.

When looking only at the 35 markets in which Gray Television had a Consolidation Event, the story is much the same. The average share of the total advertising marketplace was 7.7% in 2014 and decreasing to 7.2% in 2018. However, the median market share value actually increased from 6.1% in 2014 to 6.2% in 2018. Gray's commitment to providing more news programming and becoming more efficient allows its stations in these markets to compete more effectively with the fast-growing digital competitors.

If considering Gray's market share among other over-the-air television stations only (i.e., excluding all other competitors that sell local advertising and local video advertising), the results are similar. Across the 93 markets, the stations had a 47.1% share in 2014 and those same stations had a 46.9% share in 2018.³³ The corresponding median values were 41.9% in 2014 and 42.1% in 2018.

³¹ These revenue data are from BIA Advisory Services, LLC's Media Access Pro and ADVantage services. BIA's Media Access Pro provides over-the-air advertising revenue estimates for all local radio and television stations. BIA's ADVantage service provides local advertising revenue estimates for 16 different advertising platforms including local television and radio, as well as cable tv, direct mail, directories email, magazines print, magazines online, mobile, newspapers print, newspapers online, online, out of home, and OTT.

³² We selected those two years to conform with the previous cost information from the NAB as well as having two even-numbered years for comparison (i.e., both political years). The selection of these two years may actually understate the improved performance of Gray Television stations due to their increase in news programming, as some of those increases have only recently been instituted.

³³ These average market share values for Gray Television stations of just the local television station over-the-air advertising revenue is quite misleading as Gray Television owns many stations in the very smallest markets where there are only one or two local television stations, thereby skewing the average.

But, for the 35 markets in which Gray Television had a Consolidation Event, the results from the provision of the additional local news programming are a bit stronger. The average share in those markets went from 54.6% in 2014 to 54.8% in 2018. At the same time, the median market share increased from 45.2% in 2014 to 51.4% in 2018.

One of the reasons for the increase in the share of local over-the-air television advertising revenue is that the additional local news programming provides more opportunities for national, regional, and local advertisers to buy spots on these programs. Previously, the programming being aired during times when news programming was added was generally syndicated programming that included many nationwide barter spots sold by the syndicator. Replacing an hour of syndicated programming with an hour of local news programming substitutes these national barter spots with an additional eight :30 local advertising spots.³⁴ The increased supply of advertising spots in local news programming is especially important as the audience for this type of programming is highly desirable by advertisers, including political candidates.

As a result of the increased supply of local advertising spots being sold by Gray Television from the additional news programming hours, the local advertising marketplace becomes more competitive, and, by increasing the supply of units available for sale locally in the market, it places downward pressure on local advertising rates, benefiting the local economy.

Conclusion

Local television stations face incredible competition for their viewers and for their advertising clients. Many television stations are responding to this competition by trying to differentiate themselves from other media. One way to differentiate is by providing more local news programming. This strategy is risky as it involves spending a considerable amount in capital and operating costs.

Stations that are part of local clusters have the added benefits of spreading those costs across multiple operations. Proponents of further relaxation of local ownership regulations have suggested that they would take advantage of these cost synergies and provide more hours of local news programming. In this report we examined that claim specifically with respect to the stations that Gray Television, Inc. owns in 93 markets. What was clearly shown in that analysis was that Gray Television has increased its news programming overall, and in markets in which it acquired an additional station or an additional Big Four or CW affiliation, Gray increased its output of news programming even more.

If the FCC were to relax its local television ownership rules to allow for more in-market consolidation – especially in mid-sized and small markets – we would expect, based on Gray’s experience, to see an increase in the amount of local television news being produced in those

³⁴ In syndicated programming, the local station typically has 12 minutes of local ad inventory per hour to sell to national, regional and local advertisers. Meanwhile, in local news programming a local station typically has 16 minutes of local ad inventory per hour – an increase of four minutes of advertising inventory per day.

markets and an increase in the employment of local television news personnel to produce those additional hours of programming.

**Appendix A –Gray Television Station Markets and Their Provision of Local
News Programming**

The Amount of Local News at Local Television Stations

Market	Rank	News Program Streams	Consolidation Event(s) Occurring between 2014-2020	Average Weekly Hours of Local News			
				May 2014	Sept. 2020	Hours Added	Percentage Change
Tampa-St Petersburg	12	WWSB-TV (ABC)	None	27.5	46.5	19.0	69.1%
Cleveland-Akron	19	WOIO-TV (CBS) WUAB-TV (CW)	Gray acquires CW affiliation on 7/16/2018	46.5	57.0	10.5	22.6%
Charlotte	21	WBTV-TV (CBS)	None	39.5	52.0	12.5	31.6%
West Palm Beach	36	WFLX-TV (FOX)	None	19.5	19.5	0.0	0.0%
Cincinnati	37	WXIX-TV (FOX)	None	46.5	62.0	15.5	33.3%
Birmingham	44	WBRC-TV (FOX)	None	49.5	64.5	15.0	30.3%
Louisville	48	WAVE-TV (NBC)	None	40.0	56.5	16.5	41.3%
New Orleans	50	WVUE-TV (FOX)	None	47.5	61.0	13.5	28.4%
Memphis	51	WMC-TV (NBC)	None	34.0	47.0	13.0	38.2%
Richmond-Petersburg	54	WWBT-TV (NBC) WUPV-TV (CW)	Gray ends SSA and acquires WUPV-TV on 1/1/2019	37.0	40.0	3.0	8.1%
Knoxville	61	WVLT-TV (CBS) WBXX-TV (CW)	Gray acquires WBXX-TV (CW) on 2/1/2016	48.5	51.0	2.5	5.2%
Lexington	64	WKYT-TV (CBS) WYMT-TV (CBS) WKYT-D2 (CW)	None	63.5	73.5	10.0	15.7%
Tucson	65	KOLD-TV (CBS) KMSB-TV (FOX) ³⁵	None	49.0	49.0	0.0	0.0%
Honolulu	66	KGMB-TV (CBS) KHNL-TV (NBC) KHNL-D2 (IND)	None ³⁶	41.0	48.5	7.5	18.3%
Green Bay	67	WBAY-TV (ABC)	None	31.0	36.0	5.0	16.1%
Roanoke-Lynchburg	69	WDBJ-TV (CBS) WZBJ-TV (MyNet)	Gray acquires WZJB-TV and adds MyNet on 9/1/2018	24.0	55.5	31.5	131.3%
Omaha	71	WOWT-TV (NBC)	None	29.0	35.5	6.5	22.4%
Wichita-Hutchison	72	KWCH-TV (CBS) KSCW (CW)	None	43.0	62.5	19.5	45.3%

³⁵ Gray does not own KMSB-TV. Instead, Gray provides various services for the licensee of KMSB-TV pursuant to a Shared Services Agreement with the station's licensee.

³⁶ On September 9, 2020, Gray acquired Telemundo affiliate KSIX-TV in Kailua-Kona, Hawaii. Due to the recency of this transaction, this station was not considered in the analysis.

The Amount of Local News at Local Television Stations

Market	Rank	News Program Streams	Consolidation Event(s) Occurring between 2014-2020	Average Weekly Hours of Local News			
				May 2014	Sept. 2020	Hours Added	Percentage Change
Springfield, MO	73	KYTV-TV (NBC) KSPR-LD (ABC) KYCW-LD (CW)	In January 2017, Gray eliminates SSA with former licensee of ABC affiliate and adds ABC affiliation to KSPR-LD	52.0	49.5	-2.5	-4.8%
Charleston-Huntington	74	WSAZ-TV (NBC) WQCW-TV (CW)	Gray acquires WQCW-TV (CW) on 4/1/2014	31.5	58.5	27.0	85.7%
Columbia	75	WIS-TV (NBC) WIS-D2 (CW)	Gray adds CW affiliation to WIS-D2 on 9/30/2019	33.0	46.5	13.5	40.9%
Flint-Saginaw-Bay City	77	WJRT-TV (ABC)	None	40.5	41.0	0.5	1.2%
Huntsville	78	WAFF-TV (NBC)	None	30.0	36.5	6.5	21.7%
Toledo	80	WTVG-TV (ABC)	Gray adds CW affiliation to WTVG-D2 on 9/1/2014	35.5	35.5	0.0	0.0%
Madison	81	WMTV-TV (NBC) WMTV-D2 (CW)	Gray adds CW affiliation to WMTV-D3 on 9/12/2016	32.0	35.5	3.5	10.9%
Waco-Temple-Bryan	82	KWTX-TV (CBS) KNCT-TV (CW) KBTX(TV) (CBS)	Gray acquires KNCT-TV and adds CW on 12/17/2018.	45.0	55.5	10.5	23.3%
Paducah-Cape Girardeau-Harrison	84	KFVS-TV (CBS)	None	27.5	29.0	1.5	5.5%
Colorado Springs-Pueblo	85	KKTV-TV (CBS)	None	27.5	32.5	5.0	18.2%
Shreveport	86	KSLA-TV (CBS)	None	30.5	36.5	6.0	19.7%
Savannah	89	WTOC-TV (CBS)	None	42.0	46.5	4.5	10.7%
Cedar Rapids-Iowa City-Waterloo-Dubuque	90	KCRG-TV (ABC)	None	31.0	36.0	5.0	16.1%
Charleston	91	WCSC-TV (CBS) WCSC-D2 (BNC)	None	33.5	38.5	5.0	14.9%
Baton Rouge	94	WAFB-TV (CBS)	None	29.5	30.5	1.0	3.4%
Jackson	95	WLBT-TV (NBC) WDBD-TV (FOX) ³⁷	None	48.5	56.0	7.5	15.5%
Burlington-Plattsburgh	96	WCAX-TV (CBS) WYCI-TV (MyNet)	Gray acquires WYCI-TV (MyNet) on 1/31/2020	26.0	38.0	12.0	46.2%

³⁷ Gray does not own WDBD-TV. Instead, Gray provides various services for the licensee of WDBD-TV pursuant to a Shared Services Agreement with the station's licensee.

The Amount of Local News at Local Television Stations

Market	Rank	News Program Streams	Consolidation Event(s) Occurring between 2014-2020	Average Weekly Hours of Local News			
				May 2014	Sept. 2020	Hours Added	Percentage Change
Myrtle Beach-Florence	97	WMBF-TV (NBC)	None	32.5	39.0	6.5	20.0%
South Bend	98	WNDU-TV (NBC)	None	30.0	35.0	5.0	16.7%
Greenville-New Bern	100	WITN-TV (NBC)	None	25.0	32.5	7.5	30.0%
Boise	102	KNIN-TV (FOX)	None	12.0	12.0	0.0	0.0%
Davenport-Moline-Rock Island	103	KWQC-TV (NBC)	None	27.0	33.5	6.5	24.1%
Reno	104	KOLO-TV (ABC) KOLO-D2 (CW)	Gray adds CW affiliation to KOLO-D3 in Sept. 2018	27.0	38.0	11.0	40.7%
Evansville	105	WFIE-TV (NBC)	None	32.0	37.0	5.0	15.6%
Lincoln & Hastings-Kearney	107	KOLN-TV (CBS) KSNB-TV (NBC)	Gray puts NBC affiliation on KSNB-TV on 6/13/2014;	41.0	49.0	8.0	19.5%
Augusta-Aiken	108	WRDW-TV (CBS) WAGT-CD (NBC)	Gray puts NBC affiliation on WAGT-CD on 2/16/2016	37.0	38.5	1.5	4.1%
Tallahassee	109	WCTV-TV (CBS)	Gray acquires WFXU-TV on 12/27/2017	26.5	31.5	5.0	18.9%
Lansing	112	WILX-TV (NBC)	None	24.0	34.0	10.0	41.7%
Sioux Falls	113	KSFY-TV (ABC) KDLT-TV (NBC) KSFY-D2 (CW)	Gray acquires KDLT-TV on 9/25/2019 ³⁸	39.0	51.5	12.5	32.1%
Tyler-Longview	114	KLTV-TV (ABC) KTRE-TV (ABC) KLTV-D2 (TEL)	None	36.5	40.0	3.5	9.6%
Fargo-Valley City	116	KVLY-TV (NBC) KXJB-LD (CBS) KXJB-D2 (CW)	Gray acquires CBS affiliation for KXJB-LD on 6/13/2014; Gray adds CW affiliation to KXJB-D2 on 9/12/2016	32.5	47.5	15.0	46.2%
Montgomery-Selma	122	WSFA-TV (NBC) WSFA-D2 (BNC)	None	40.5	40.5	0.0	0.0%
Wilmington	127	WECT-TV (NBC) WSFX-TV (FOX) ³⁹	None	25.0	30.0	5.0	20.0%

³⁸ KDLT was not relocated into KSFY's building until January 2020. News totals for September 2020 include additional morning and weekend newscasts planned for later in Fall 2020.

³⁹ Gray does not own WSFX-TV. Instead, Gray provides various services for the licensee of WSFX-TV pursuant to a Shared Services Agreement with the station's licensee.

The Amount of Local News at Local Television Stations

Market	Rank	News Program Streams	Consolidation Event(s) Occurring between 2014-2020	Average Weekly Hours of Local News			
				May 2014	Sept. 2020	Hours Added	Percentage Change
LaCrosse-Eau Claire	129	WEAU-TV (NBC)	None	30.0	30.0	0.0	0.0%
Columbus, GA	130	WTVM(TV) (ABC) WXTX-TV (FOX) ⁴⁰	None	30.5	37.0	6.5	21.3%
Amarillo	132	KFDA-TV (CBS) KEYU-TV (TEL) KFDA-D2 (IND)	None	27.0	57.5	30.5	113.0%
Wausau-Rhineland	134	WSAW-TV (CBS) WZAW-LD (FOX)	Gray acquires FOX affiliation and adds it to WZAW-LD on 7/1/2015	32.0	32.0	0.0	0.0%
Rockford	138	WIFR-LD (CBS)	None	24.0	29.0	5.0	20.8%
Monroe-El Dorado	140	KNOE-TV (CBS) KNOE-D2 (ABC)	Gray ends JSA/SSA with former ABC affiliate on 9/13/2014 and puts ABC on KNOE-D2.	22.0	29.5	7.5	34.1%
Lubbock	142	KCBD-TV (NBC)	None	24.5	26.5	2.0	8.2%
Topeka	144	WIBW-TV (CBS)	None	26.0	29.0	3.0	11.5%
Odessa-Midland ⁴¹	145	KOSA-TV (CBS) KCWO-TV (CW) KTLE-LD (TEL)	Gray acquires KCWO-TV (CW) and KTLE (TEL) from Raycom on 1/1/2019	25.0	32.5	7.5	30.0%
Minot-Bismarck	146	KFYR-TV (NBC) KMOT-TV (NBC) KUMV-TV (NBC) KFYR-D2 (FOX)	Gray acquires FOX affiliation and put it on KFYR-D2 on 6/13/2014	34.5	44.5	10.0	29.0%
Wichita Falls-Lawton	147	KSWO-TV (ABC) KAUZ-TV (CBS) ⁴²	None	51.5	49.0	-2.5	-4.9%
Panama City	149	WJHG-TV (NBC) WECP-LD (CBS)	None	24.5	32.0	7.5	30.6%

⁴⁰ Gray does not own WXTX-TV. Instead, Gray provides various services for the licensee of WXTX-TV pursuant to a Shared Services Agreement with the station's licensee.

⁴¹ Gray has filed an application to acquire KWWT(TV) in Odessa, Texas. As of the date of this report, Gray has not closed on this transaction.

⁴² Gray does not own KAUZ-TV. Instead, Gray provides various services for the licensee of KAUZ-TV pursuant to a Shared Services Agreement with the station's licensee.

The Amount of Local News at Local Television Stations

Market	Rank	News Program Streams	Consolidation Event(s) Occurring between 2014-2020	Average Weekly Hours of Local News			
				May 2014	Sept. 2020	Hours Added	Percentage Change
Anchorage ⁴³	151	KTUU-TV (NBC)	Gray acquires KYES-TV (MyNet) on 6/27/2016	22.0	22.0	0.0	0.0%
Albany, GA	154	WALB-TV (NBC) WALB-D2 (ABC)	WGCW-LD (CW) Added 1/1/2019	27.0	32.0	5.0	18.5%
Biloxi-Gulfport	155	WLOX-TV (ABC) WLOX-D2 (CBS)	None	33.0	33.5	0.5	1.5%
Gainesville	156	WCJB-TV (ABC)	None	22.0	24.5	2.5	11.4%
Sherman-Ada	158	KXII-TV (CBS) KXII-D3 (FOX)	None	24.5	27.0	2.5	10.2%
Bangor	159	WABI-TV (CBS) WABI-D2 (CW)	None	29.5	33.5	4.0	13.6%
Hattiesburg-Laurel	167	WDAM-TV (NBC) WDAM-D2 (ABC)	None	25.5	32.5	7.0	27.5%
Rapid City	169	KOTA-TV (ABC) KEVN-LD (FOX)	Gray acquires ABC affiliate on 2/16/2016	25.5	31.5	6.0	23.5%
Lake Charles	170	KPLC-TV (NBC) KVHP-TV (FOX) ⁴⁴	American Spirit Acquires KVPH-TV and enters into SSA with KPLC-TV on 8/15/2016	29.5	45.0	15.5	52.5%
Dothan	171	WTVY-TV (CBS) WRGX-LD (NBC)	None	23.5	30.5	7.0	29.8%
Clarksburg-Weston	173	WDTV-TV (CBS) WVFX-TV (FOX)	None	26.5	29.5	3.0	11.3%
Harrisonburg	175	WHSV-TV (ABC) WSVF-CD (FOX) WSVF-D2 (CBS) WSVW-LD (NBC) WSVW-D2 (CW)	Gray adds NBC affiliation to WSVW-LD and CW affiliation to WSVW-D2 on 12/1/2019	62.0	62.0	0.0	0.0%
Bowling Green	177	WBKO-TV (ABC)	None	23.5	26.0	2.5	10.6%

⁴³ On July 31, 2020, Gray obtained the CBS affiliation for the Anchorage DMA and moved it to the primary channel for KYES-TV. Due to the recency of that transaction, the September 2020 totals include the planned news output prior to the acquisition of the CBS affiliation and the acquisition of this Big Four network programming was not considered in these results.

⁴⁴ Gray does not own KVHP(TV). Instead, Gray provides various services for the licensee of KVHP(TV) pursuant to a Shared Services Agreement with the station's licensee.

The Amount of Local News at Local Television Stations

Market	Rank	News Program Streams	Consolidation Event(s) Occurring between 2014-2020	Average Weekly Hours of Local News			
				May 2014	Sept. 2020	Hours Added	Percentage Change
Alexandria	178	KALB-TV (NBC) KALB-D2 (CBS)	Gray obtains the CW affiliation on KALB-D3 on 9/1/2016	30.5	33.5	3.0	9.8%
Marquette	180	WLUC-TV (NBC) WLUC-D2 (FOX)	None	18.5	23.5	5.0	27.0%
Watertown	181	WWNY-TV (CBS) WNYF-CD (FOX)	None	24.5	27.0	2.5	10.2%
Charlottesville	182	WVIR-TV (NBC) WVIR-D2 (CW)	None	35.0	35.0	0.0	0.0%
Jonesboro	183	KAIT-TV (ABC)	Raycom adds NBC affiliation to KAIT-D2 1/26/2015	24.5	24.5	0.0	0.0%
Laredo	184	KGNS-TV (NBC) KYLX-LD (CBS) KXNU-LD (Tel)	Gray acquires CBS affiliate and puts it on KYLX-LD on 7/1/2015.	19.5	30.5	11.0	56.4%
Grand Junction-Montrose	188	KKCO-TV (NBC) KJCT-LD (ABC)	Gray moves ABC programming to KJCT-LD on 12/10/2014	26.5	29.0	2.5	9.4%
Meridian	190	WTOK-TV (ABC)	None	14.5	19.5	5.0	34.5%
Twin Falls	191	KMVT-TV (CBS) KSVT-LD (FOX)	None	30.5	30.5	0.0	0.0%
Parkersburg	193	WTAP-TV (NBC)	CW added to WOVA-D2	21.5	22.0	0.5	2.3%
Cheyenne-Scottsbluff	196	KGWN-TV (CBS) KGWN-D2 (NBC)	None	19.0	26.5	7.5	39.5%
Mankato	198	KEYC-TV (CBS) KEYC-D2 (FOX)	Gray adds NBC affiliation to KMNF-LD on 12/1/2019	14.0	22.5	8.5	60.7%
Casper	199	KCWY-TV (NBC)	None ⁴⁵	19.0	26.5	7.5	39.5%
Ottumwa-Kirksville	201	KYOU-TV (FOX) KYOU-D2 (NBC)	Raycom adds NBC affiliation to KYOU-D2 on 1/24/2018;	0.0	5.0	5.0	N/A
Fairbanks	203	KTVF-TV (NBC) KXDF-CD (CBS)	Gray LOST its Fox affiliation on KFXF-LD on 11/4/2017.	11.0	11.0	0.0	0.0%
Presque Isle	206	WAGM-TV (CBS) WAGM-D2 (FOX) WWPI-LD (NBC)	Gray adds NBC affiliation to WWPI-LD on 1/7/2020	12.5	21.5	9.0	72.0%

⁴⁵ Gray attempted to acquire CBS affiliate KGWC-TV in 2018. That transaction, however, did not close. Since the termination of that purchase agreement, Gray has begun simulcasting local news from its sister station in Cheyenne, Wyoming. Only 2.5 hours per week of news in Casper are produced in Casper. The remaining hours are now produced and simulcast from Cheyenne.

The Amount of Local News at Local Television Stations

Market	Rank	News Program Streams	Consolidation Event(s) Occurring between 2014-2020	Average Weekly Hours of Local News			
				May 2014	Sept. 2020	Hours Added	Percentage Change
North Platte	209	KNOP-TV (NBC)	Gray acquires KNOP-TV (NBC) and KIIT-CD (FOX) on 6/14/2014	48.0	61.5	13.5	28.1%

Appendix B – Gray Television Stations Over-the-Air Advertising Revenue By Market

The Amount of Local News at Local Television Stations

Market	Rank	News Producing Program Streams	Gray Acquisition of Station or Affiliation	Local Over-the-Air Advertising Revenue					
				2014 (000s)	2018 (000s)	%of Total Mkt 14	%of Total Mkt 18	%of Local TV Mkt 14	%of Local TV Mkt 18
Tampa-St Petersburg	12	WWSB-TV (ABC)	None	/	\$16,200	1.0%	1.0%	6.6%	6.5%
Cleveland-Akron	19	WOIO-TV (CBS) WUAB-TV (CW)	Gray acquires CW affiliation on 7/16/2018	\$50,775	\$43,925	3.2%	2.2%	23.4%	19.2%
Charlotte	21	WBTV-TV (CBS)	None	\$52,575	\$45,025	4.0%	3.4%	27.6%	27.5%
West Palm Beach	36	WFLX-TV (FOX)	None	\$22,150	\$19,050	2.4%	1.6%	15.2%	11.9%
Cincinnati	37	WXIX-TV (FOX)	None	\$26,000	\$22,500	2.6%	2.5%	18.2%	20.0%
Birmingham	44	WBRC-TV (FOX)	None	\$34,950	\$32,925	4.6%	3.8%	35.5%	36.0%
Louisville	48	WAVE-TV (NBC)	None	\$21,300	\$20,250	2.9%	2.7%	20.5%	19.5%
New Orleans	50	WVUE-TV (FOX)	None	\$22,300	\$21,300	3.1%	4.2%	23.3%	28.5%
Memphis	51	WMC-TV (NBC)	None	\$24,325	\$23,075	3.4%	2.4%	24.7%	25.4%
Richmond-Petersburg	54	WWBT-TV (NBC) WUPV-TV (CW)	Gray ends SSA and acquires WUPV-TV on 1/1/2019	\$30,975	\$29,925	4.8%	3.8%	35.9%	34.4%
Knoxville	61	WVLT-TV (CBS) WBXX-TV (CW)	Gray acquires WBXX-TV (CW) on 2/1/2016	\$17,500	\$18,375	3.2%	3.0%	27.0%	31.4%
Lexington	64	WKYT-TV (CBS) WYMT-TV (CBS) WKYT-D2 (CW)	None	\$31,725	\$30,475	6.2%	5.5%	40.1%	41.2%
Tucson	65	KOLD-TV (CBS) KMSB-TV (FOX)	None	\$20,850	\$15,400	4.2%	2.5%	28.8%	26.4%
Honolulu	66	KGMB-TV (CBS) KHNL-TV (NBC) KHNL-D2 (IND)	None	\$30,250	\$22,750	5.1%	4.2%	43.7%	47.8%
Green Bay	67	WBAY-TV (ABC)	None	\$20,475	\$17,975	4.3%	3.5%	28.0%	32.1%
Roanoke-Lynchburg	69	WDBJ-TV (CBS) WZBJ-TV (MyNet)	Gray acquires WZJB-TV and adds MyNet on 9/1/2018	\$17,000	\$15,800	4.0%	3.2%	34.7%	35.4%
Omaha	71	WOWT-TV (NBC)	None	\$25,025	\$19,225	4.8%	3.1%	28.8%	27.4%
Wichita-Hutchison	72	KWCH-TV (CBS) KSCW (CW)	None	\$23,000	\$18,750	4.6%	3.3%	36.5%	36.7%
Springfield, MO	73	KYTV-TV (NBC) KSPR-LD (ABC) KYCW (CW)	Gray adds ABC affiliation to KSPR-LD	\$25,100	\$26,100	6.1%	6.0%	55.2%	69.4%
Charleston-Huntington	74	WSAZ-TV (NBC) WQCW-TV (CW)	Gray acquires WQCW-TV (CW) on 4/1/2014	\$33,550	\$27,100	7.6%	5.5%	55.0%	56.9%

The Amount of Local News at Local Television Stations

Market	Rank	News Producing Program Streams	Gray Acquisition of Station or Affiliation	Local Over-the-Air Advertising Revenue					
				2014 (000s)	2018 (000s)	%of Total Mkt 14	%of Total Mkt 18	%of Local TV Mkt 14	%of Local TV Mkt 18
Columbia	75	WIS-TV (NBC) WIS-D2 (CW)	Gray adds CW affiliation to WIS-D2 on 9/30/2019	\$23,450	\$23,275	5.6%	4.6%	37.9%	39.1%
Flint-Saginaw-Bay City	77	WJRT-TV (ABC)	None	\$17,050	\$15,300	4.1%	3.1%	35.9%	33.7%
Huntsville	78	WAFF-TV (NBC)	None	\$17,050	\$14,700	4.3%	4.0%	32.7%	34.0%
Toledo	80	WTVG-TV (ABC)	Gray adds CW affiliation to WTVG-D2 on 9/1/2014	\$19,075	\$18,225	4.5%	3.5%	37.8%	37.2%
Madison	81	WMTV-TV (NBC) WMTV-D2 (CW)	Gray adds CW affiliation to WMTV-D3 on 9/12/2016	\$16,100	\$14,800	3.6%	3.0%	29.6%	31.2%
Waco-Temple-Bryan	82	KWTX-TV (CBS) KNCT-TV (CW) KBTX(TV) (CBS)	Gray acquires KNCT-TV and adds CW on 12/17/2018.	\$18,675	\$20,250	5.2%	5.4%	37.1%	42.1%
Paducah-Cape Girardeau-Harrison	84	KFVS-TV (CBS)	None	\$16,875	\$15,300	4.8%	3.0%	36.4%	38.0%
Colorado Springs-Pueblo	85	KKTV-TV (CBS)	None	\$20,425	\$12,400	5.2%	3.3%	26.8%	28.8%
Shreveport	86	KSLA-TV (CBS)	None	\$18,250	\$17,600	4.7%	3.4%	35.6%	27.6%
Savannah	89	WTOC-TV (CBS)	None	\$23,675	\$19,075	6.5%	5.3%	44.2%	43.8%
Cedar Rapids-Iowa City-Waterloo-Dubuque	90	KCRG-TV (ABC)	None	\$24,600	\$22,300	6.3%	5.1%	42.1%	43.3%
Charleston	91	WCSC-TV (CBS) WCSC-D2 (BNC)	None	\$17,275	\$18,200	5.1%	5.1%	35.5%	36.0%
Baton Rouge	94	WAFB-TV (CBS)	None	\$30,325	\$29,625	7.8%	7.0%	47.2%	43.7%
Jackson	95	WLBT-TV (NBC) WDBD-TV (FOX)	None	\$18,575	\$17,500	5.2%	3.9%	36.3%	34.0%
Burlington-Plattsburgh	96	WCAX-TV (CBS) WYCI-TV (MyNet)	Gray acquires WYCI-TV (MyNet) on 1/31/2020	\$17,400	\$14,450	5.1%	3.3%	41.9%	41.8%
Myrtle Beach-Florence	97	WMBF-TV (NBC)	None	\$5,250	\$5,625	1.8%	2.0%	15.2%	16.3%
South Bend	98	WNDU-TV (NBC)	None	\$12,075	\$11,350	3.7%	2.7%	32.8%	32.4%
Greenville-New Bern	100	WITN-TV (NBC)	None	\$14,300	\$12,500	4.8%	4.6%	35.8%	40.6%
Boise	102	KNIN-TV (FOX)	None	\$5,050	\$4,425	1.7%	1.3%	13.7%	12.5%
Davenport-Moline-Rock Island	103	KWQC-TV (NBC)	None	\$26,875	\$18,975	7.9%	5.2%	44.4%	45.8%

The Amount of Local News at Local Television Stations

Market	Rank	News Producing Program Streams	Gray Acquisition of Station or Affiliation	Local Over-the-Air Advertising Revenue					
				2014 (000s)	2018 (000s)	%of Total Mkt 14	%of Total Mkt 18	%of Local TV Mkt 14	%of Local TV Mkt 18
Reno	104	KOLO-TV (ABC) KOLO-D2 (CW)	Gray adds CW affiliation to KOLO-D3 in Sept. 2018	\$10,600	\$9,100	3.5%	2.9%	25.0%	32.4%
Evansville	105	WFIE-TV (NBC)	None	\$14,525	\$14,650	5.0%	4.1%	37.5%	39.7%
Lincoln & Hastings-Kearney	107	KOLN-TV (CBS) KSNB-TV (NBC)	Gray puts NBC affiliation on KSNB-TV on 6/13/2014;	\$19,100	\$17,225	6.3%	4.2%	56.8%	52.7%
Augusta-Aiken	108	WRDW-TV (CBS) WAGT-CD (NBC)	Gray puts NBC affiliation on WAGT-CD on 2/16/2016	\$17,500	\$13,350	6.6%	4.6%	44.3%	42.9%
Tallahassee	109	WCTV-TV (CBS)	Gray acquires WFXU-TV on 12/27/2017	\$19,075	\$14,700	6.9%	4.3%	58.3%	52.7%
Lansing	112	WILX-TV (NBC)	None	\$14,075	\$10,550	5.5%	3.2%	37.6%	35.3%
Sioux Falls	113	KSFY-TV (ABC) KDLT-TV (NBC) KSFY-D2 (CW)	Gray acquires KDLT-TV on 9/25/2019	\$11,200	\$9,100	3.8%	3.3%	32.7%	36.3%
Tyler-Longview	114	KLTV-TV (ABC) KTRE-TV (ABC) KLTV-D2 (TEL)	None	\$18,475	\$18,600	6.2%	6.1%	45.0%	45.1%
Fargo-Valley City	116	KVLY-TV (NBC) KXJB-LD (CBS) KXJB-D2 (CW)	Gray acquires CBS affiliation for KXJB-LD on 6/13/2014; Gray adds CW affiliation to KXJB-D2 on 9/12/2016	\$13,050	\$13,725	4.6%	4.0%	37.7%	43.4%
Montgomery-Selma	122	WSFA-TV (NBC) WSFA-D2 (BNC)	None	\$17,125	\$16,000	7.1%	5.3%	47.8%	47.2%
Wilmington	127	WECT-TV (NBC) WSFX-TV (FOX)	None	\$13,775	\$12,525	7.8%	6.4%	54.9%	48.2%
LaCrosse-Eau Claire	129	WEAU-TV (NBC)	None	\$9,850	\$7,450	4.1%	3.2%	29.2%	35.3%
Columbus, GA	130	WTVM(TV) (ABC) WXTX-TV (FOX)	None	\$10,350	\$8,550	4.7%	3.6%	38.9%	36.0%
Amarillo	132	KFDA-TV (CBS) KEYU-TV (TEL) KFDA-D2 (IND)	None	\$9,800	\$10,000	4.8%	4.2%	42.2%	36.9%

The Amount of Local News at Local Television Stations

Market	Rank	News Producing Program Streams	Gray Acquisition of Station or Affiliation	Local Over-the-Air Advertising Revenue					
				2014 (000s)	2018 (000s)	%of Total Mkt 14	%of Total Mkt 18	%of Local TV Mkt 14	%of Local TV Mkt 18
Wausau-Rhineland	134	WSAW-TV (CBS) WZAW-LD (FOX)	Gray acquires FOX affiliation and adds it to WZAW-LD on 7/1/2015	\$8,550	\$7,300	4.6%	4.3%	37.3%	51.7%
Rockford	138	WIFR-LD (CBS)	None	\$7,000	\$6,400	3.8%	3.6%	28.2%	34.8%
Monroe-El Dorado	140	KNOE-TV (CBS) KNOE-D2 (ABC)	Gray on 6/13/2014 and puts ABC on KNOE-D2.	\$12,750	\$13,850	7.4%	5.7%	63.8%	55.8%
Lubbock	142	KCBD-TV (NBC)	None	\$14,050	\$13,000	7.7%	6.0%	42.2%	41.7%
Topeka	144	WIBW-TV (CBS)	None	\$9,050	\$6,900	5.1%	3.6%	39.9%	42.4%
Odessa-Midland	145	KOSA-TV (CBS) KCWO-TV (CW) KTLE-LD (TEL)	Gray acquires KCWO-TV (CW) and KTLE (TEL) from Raycom on 1/1/2019	\$10,950	\$10,400	5.7%	4.8%	38.7%	36.7%
Minot-Bismarck	146	KFYR-TV (NBC) KMOT-TV (NBC) KUMV-TV (NBC) KFYR-D2 (FOX)	Gray acquires FOX affiliation and put it on KFYR-D2 on 6/13/2014	\$9,325	\$11,025	5.2%	6.4%	38.7%	50.5%
Wichita Falls-Lawton	147	KSWO-TV (ABC) KAUZ-TV (CBS)	None	\$8,400	\$8,075	5.1%	3.5%	33.3%	33.6%
Panama City	149	WJHG-TV (NBC) WECP-LD (CBS)	None	\$9,850	\$7,575	7.2%	5.6%	55.0%	57.6%
Anchorage	151	KTUU-TV (NBC)	Gray acquires KYES-TV (MyNet) on 6/27/2016	\$32,400	\$12,900	16.3%	4.7%	65.3%	50.3%
Albany, GA	154	WALB-TV (NBC) WALB-D2 (ABC)	WGCW-LD (CW) Added 1/1/2019	\$14,400	\$12,975	9.7%	7.1%	73.5%	72.5%
Biloxi-Gulfport	155	WLOX-TV (ABC) WLOX-D2 (CBS)	None	\$18,800	\$19,575	13.7%	11.8%	82.1%	75.0%
Gainesville	156	WCJB-TV (ABC)	None	\$12,550	\$13,025	10.5%	7.5%	59.8%	55.2%
Sherman-Ada	158	KXII-TV (CBS) KXII-D3 (FOX)	None	\$8,900	\$7,850	7.8%	6.6%	70.1%	67.4%
Bangor	159	WABI-TV (CBS) WABI-D2 (CW)	None	\$11,425	\$8,150	8.1%	6.4%	60.8%	66.2%
Hattiesburg-Laurel	167	WDAM-TV (NBC) WDAM-D2 (ABC)	None	\$11,275	\$11,300	10.0%	9.0%	80.0%	71.7%
Rapid City	169	KOTA-TV (ABC) KEVN-LD (FOX)	Gray acquires ABC affiliate on 2/16/2016	\$8,400	\$7,400	7.5%	5.3%	60.9%	52.4%

The Amount of Local News at Local Television Stations

Market	Rank	News Producing Program Streams	Gray Acquisition of Station or Affiliation	Local Over-the-Air Advertising Revenue					
				2014 (000s)	2018 (000s)	%of Total Mkt 14	%of Total Mkt 18	%of Local TV Mkt 14	%of Local TV Mkt 18
Lake Charles	170	KPLC-TV (NBC) KVHP-TV (FOX)	American Spirit Acquires KVPH-TV and enters into SSA with KPLC-TV on 8/15/2016	\$14,425	\$14,325	13.9%	13.1%	85.9%	68.7%
Dothan	171	WTVY-TV (CBS) WRGX-LD (NBC)	None	\$7,875	\$7,050	7.9%	5.9%	66.7%	64.1%
Clarksburg-Weston	173	WDTV-TV (CBS) WVFX-TV (FOX)	None	\$9,500	\$6,600	10.0%	6.1%	49.7%	39.5%
Harrisonburg	175	WHSV-TV (ABC) WSVF-CD (FOX) WSVF-D2 (CBS)	Gray adds NBC affiliation to WSVW-LD on 12/1/2019	\$10,025	\$10,625	9.9%	8.3%	99.3%	100.0%
Bowling Green	177	WBKO-TV (ABC)	None	\$8,900	\$9,375	12.7%	10.3%	78.1%	76.1%
Alexandria	178	KALB-TV (NBC) KALB-D2 (CBS)	Gray obtains the CW affiliation on KALB-D3 on 9/1/2016	\$10,700	\$11,925	10.7%	12.1%	68.6%	67.7%
Marquette	180	WLUC-TV (NBC) WLUC-D2 (FOX)	None	\$6,300	\$7,400	8.4%	7.5%	61.2%	70.0%
Watertown	181	WWNY-TV (CBS) WNYF-CD (FOX)	None	\$6,700	\$6,800	7.2%	6.0%	76.1%	75.4%
Charlottesville	182	WVIR-TV (NBC) WVIR-D2 (CW)	None	\$7,850	\$7,750	10.1%	7.3%	70.1%	61.5%
Jonesboro	183	KAIT-TV (ABC)	Raycom adds NBC affiliation to KAIT-D2 1/26/2015	\$18,075	\$10,925	21.4%	12.1%	98.8%	91.3%
Laredo	184	KGNS-TV (NBC) KYLX-LD (CBS) KXNU-LD (Tel)	Gray acquires CBS affiliate and puts it on KYLX-LD on 7/1/2015.	\$5,650	\$7,000	5.9%	7.0%	45.2%	51.9%
Grand Junction-Montrose	188	KKCO-TV (NBC) KJCT-LD (ABC)	Gray moves ABC programming to KJCT-LD on 12/10/2014	\$6,750	\$5,575	8.4%	5.6%	49.6%	51.4%
Meridian	190	WTOK-TV (ABC)	None	\$4,950	\$5,450	7.8%	7.5%	49.0%	41.4%
Twin Falls	191	KMVT-TV (CBS) KSVT-LD (FOX)	None	\$5,950	\$4,800	8.7%	5.9%	61.3%	61.6%
Parkersburg	193	WTAP-TV (NBC)	CW added to WOVA-D2	\$8,200	\$8,175	13.5%	11.9%	100.0%	99.5%

The Amount of Local News at Local Television Stations

Market	Rank	News Producing Program Streams	Gray Acquisition of Station or Affiliation	Local Over-the-Air Advertising Revenue					
				2014 (000s)	2018 (000s)	%of Total Mkt 14	%of Total Mkt 18	%of Local TV Mkt 14	%of Local TV Mkt 18
Cheyenne-Scottsbluff	196	KGWN-TV (CBS) KGWN-D2 (NBC)	None	\$4,750	\$5,100	7.9%	6.1%	66.0%	64.2%
Mankato	198	KEYC-TV (CBS) KEYC-D2 (FOX)	Gray adds NBC affiliation to KMNF-LD on 12/1/2019	\$4,250	\$4,050	8.9%	11.6%	100.0%	98.3%
Casper	199	KCWY-TV (NBC)	None	\$2,600	\$2,550	3.9%	2.1%	49.1%	44.7%
Ottumwa-Kirksville	201	KYOU-TV (FOX) KYOU-D2 (NBC)	Raycom adds NBC affiliation to KYOU-D2 on 1/24/2018;	\$1,125	\$1,075	2.5%	2.7%	20.5%	28.0%
Fairbanks	203	KTVF-TV (NBC) KXDF-CD (CBS)	Gray LOST its Fox affiliation on KFXF-LD on 11/4/2017.	\$3,850	\$3,700	8.5%	5.5%	70.0%	78.1%
Presque Isle	206	WAGM-TV (CBS) WAGM-D2 (FOX) WWPI-LD (NBC)	Gray adds NBC affiliation to WWPI-LD on 1/7/2020	\$4,250	\$3,125	16.5%	11.1%	98.8%	98.4%
North Platte	209	KNOP-TV (NBC)	Gray acquires KNOP-TV (NBC) and KIIT-CD (FOX) on 6/14/2014	\$2,950	\$2,550	17.0%	13.0%	95.2%	96.0%