

Chairman Guy Guzzone
Budget and Taxation Committee
Miller Senate Office Building, 3 West Wing
11 Bladen St., Annapolis, MD 21401

February 15, 2021

RE: Statement of Support for SB787

Dear Senator Guzzone:

On behalf of WTTG and WDCA I write in support of SB787 and HB1200 the 'Digital Advertising Gross Revenues Tax – Exemption and Restriction,' legislation introduced by Senate President Bill Ferguson and House Majority Leader Eric Luedtke. Local media, including local broadcast television stations, were never the intended target of a digital advertising tax and we appreciate your willingness to rectify this matter. If left unchecked, it would burden FOX5 and other local broadcasters with an onerous tax at a time when local broadcasting is fighting to remain viable.

FOX5 local news production is an extremely expensive endeavor. While news costs consistently account for more than one quarter of our station's total annual operational expenses, we continue to make major capital expenditures to support our award-winning news operations. As you know, we are excited to move our approximately 200 employees to Bethesda, Maryland later this year. This new state-of-the-art facility will allow us to continue to deliver high-quality local news to Maryland communities and many of your constituents while keeping us in the heart of the Washington, D.C. metro area. We take pride in delivering relevant and informative local news over many different platforms- including over-the-air. However, our ability to continue to provide over 80 hours of local news each week has been stressed by seismic shifts in advertising practices.

Local television's ability to serve vulnerable populations has been on display extensively during the current health emergency. Our stations bring the DMV the most trusted news and information as well as the entertainment they love- anywhere and anytime. Specifically, WTTG and WDCA have run over 13,850 COVID-19 related PSAs from the Ad Council, National Association of Broadcasters, American Red Cross and The Salvation Army. This represents over 103.17 hours of donated airtime to these important causes, a practice we are proud to facilitate. This is in addition to the countless hours of in-depth reporting from our outstanding team on COVID-19 transmission information, protective measures, vaccine distribution and other lifesaving information.

We thank you for your support of local broadcasters and the leadership you have provided on SB787. Passage of the legislation will provide much-welcomed relief. Please reach out to me if there is anything I can do to assist your efforts.

Sincerely,



Patrick Paolini (Feb 15, 2021 11:39 EST)



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