

September 27, 2017

The Honorable Ajit Pai
Chairman
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

Dear Chairman Pai:

I write to express my vehement opposition to Sinclair Broadcast Group's (Sinclair) proposal to acquire Tribune Media. As Chairman of the Federal Communications Commission (FCC or "the Commission"), you have a duty to review whether this transaction complies with FCC's broadcast media ownership rules, and serves the public interest by promoting localism and diversity. This transaction clearly fails on both accounts. If approved, this transaction would decidedly harm the public's ability to access truly local news and the autonomy of broadcasters to generate and air programming that is responsive to the needs and interests of their local community. Blessing such a media behemoth would reflect an abject failure on your part to protect the public interest and to uphold FCC's duty to promote localism and diversity.

Creating a media conglomerate such as Sinclair-Tribune would give a single company, Sinclair, undue influence over the public. That's because companies like Sinclair keep a short leash on broadcasters they own or operate, choosing what and how events are covered, if they are even covered at all. With this proposed transaction, Sinclair threatens to strangle whatever remaining localism remains in our communities. With its outsourced news and distant ownership, Sinclair would reduce the number of independent voices in each of these markets and sharply reduce the number of local journalists and reporters. Every market impacted by this mega-merger would experience a reduction in responsive local news due to Sinclair's unresponsive top-down approach – denigrating diversity, diminishing our already distorted civic discourse, and devaluing the local voices of women and people of color.

Our communities are diverse, vibrant, and engaged, but that is not reflected when in-depth coverage of local civic and cultural affairs disappear, when minorities aren't covered for their contributions to the community, and when you flip from one channel to another and the anchors are reading the same exact script. Americans value choice and they will lose the ability to choose between different voices and viewpoints when they watch local news if this merger is approved.

In the United States, the airwaves belong to the American people. The FCC is charged with making sure those airwaves are being used to serve the public interest by enriching the

marketplace of ideas, promoting democracy and civic engagement. The FCC's media ownership rules have long sought to promote a marketplace where broadcast stations, "respond to the unique concerns and interests of the audiences within the stations' respective service areas."¹ Despite the proliferation of news and information online in the digital age, communities across the country rely on their broadcasters for local news, weather, and emergency alerts. According to Pew Research Center, "Local TV news still garners more viewers on average than cable and network news programs."²

Following your confirmation hearing, I asked you what localism means to you. You wrote, "A broadcast station advances localism when it airs programming that is responsive to the needs and interests of the community which it is licensed to serve."³ However, the Sinclair-Tribune proposal directly undermines this pillar of the FCC's mission – even by your own definition.

As employees from the KOMO broadcast station in Seattle, Washington would tell you, since the station's acquisition in 2013 by Sinclair, the station has suffered alarming new restrictions in its ability to deliver quality local news for its community.⁴ Like all Sinclair-owned stations, KOMO is required to air centrally produced video segments known as "must runs," including a daily segment from a "Terrorism Alert Desk" and a segment titled "The Point" by one of Sinclair's corporate executives, Mark Hyman. Since announcing its intention to acquire Tribune, Sinclair has in fact ramped up its requirements that its stations run such national cookie-cutter content. Airtime for political commentary by Boris Epshteyn – a former Trump White House official – was recently tripled, and can now be viewed on all Sinclair stations nationwide nine times a week.

Sinclair has exhibited a regular pattern of imposing national demands on local stations, dating back to at least 2004, when Sinclair ordered a majority of its stations to air a documentary on the presidential candidate John Kerry during prime-time hours.⁵ That year, Sinclair also directed stations to block the broadcast of an NBC "Nightline" episode about soldiers killed in the Iraq war – overriding the independence of local stations to make their own judgment call.⁶

Regardless of the merits or shortcomings of this programming, the plain effect of making any such demands on local stations is that available airtime for true local news is squeezed out and a station's ability to be attentive to local needs is subverted. In fact, the FCC's own research

¹ *Broadcast Localism*, MB Docket No. 04-233, Report on Broadcast Localism and Notice of Proposed Rulemaking, 23 FCC Rcd at 1327, ¶ 6.

² Matsa, K. (2017 July 13). Local TV News Fact Sheet. *Pew Research Center; Journalism & Media*. Retrieved from <http://www.journalism.org/fact-sheet/local-tv-news/>

³ 2017 07 31 Pai QFR Response to Senator Blumenthal

⁴ Ember, S. (2017 May 12). Sinclair Requires TV Stations to Air Segments That Tilt to the Right. *New York Times*. Retrieved from <https://www.nytimes.com/2017/05/12/business/media/sinclair-broadcast-komo-conservative-media.html>

⁵ Farhi, P. (2004 October 11). Sinclair Stations to Air Anti-Kerry Documentary. *The Washington Post*. Retrieved from <http://www.washingtonpost.com/wp-dyn/articles/A22788-2004Oct10.html>

⁶ Heffter, E. (2013 April 12). Sinclair known for conservative political tilt. *The Seattle Times*. <http://www.seattletimes.com/business/sinclair-known-for-conservative-political-tilt/>

has demonstrated what Americans have long known intuitively—locally owned broadcast stations provide more local and community news than non-locally owned stations.⁷

Orders to air certain national content, without affording broadcasters the liberty to consider the needs of the local community, are antithetical to the promotion of localism. It is vital that the FCC act assertively to protect broadcasters' ability to be responsive to the real needs of their local community, and not just the personal interests of executives in their corporate headquarters. For this reason, scrutinizing Sinclair's business practices and "must run" requirements and how they threaten the FCC's and broadcasters' core values of localism should be of highest relevance to the Commission's review of this transaction.

News that Tribune stations WCCT and WTIC (FOX61) in the Hartford-New Haven market may be acquired by Sinclair has been met with immense alarm in Connecticut. Sinclair is known for cutting the local newsroom staff and relocating resources and all authority to corporate headquarters after buying a station. Just after acquiring Seattle's KOMO and Portland, Oregon's KATU in 2013, Sinclair fired nearly 30 employees in these local newsrooms.⁸ For Sinclair-owned stations, the average number of employees per station has declined, dropping by 10 to 20 percent since 2001. Such reductions in local newsroom staff directly reduce a station's ability to produce quality local content. Sinclair has also eliminated many local meteorologists, choosing instead to air weather reports from corporate headquarters. As reported in the *New Haven Register*, Sinclair's acquisition of the Tribune stations in the Hartford-New Haven market "could send familiar faces packing."⁹

Sinclair's proposal clearly violates existing caps on how many stations one company is allowed to own and presumes your agency will lift these limits prior to allowing the transaction. This is an arrogant approach to your agency, the Communications Act, and the rule of law. This transaction not only blatantly violates existing rules, it also violates several FCC policies that were just recently scrapped under your watch. You resurrected the illogical and wildly out-of-date UHF discount just this year, allowing Sinclair to more easily purport to comply with congressionally mandated limits on TV station groups' nationwide audience reach. This action can only be explained by your interest in prioritizing the outlandish demands of Sinclair over the public interest.

The sheer size of this transaction creates glaring violations of statute and of current FCC rules. If approved, the combined Sinclair-Tribune company would have as many as 233 local television stations and would be the largest television broadcast company in the United States, covering 72 percent of U.S. households across 108 markets, including 39 of the top 50. This would give Sinclair access to a far larger share of U.S. households than any other television broadcaster. At a reach of 72 percent of U.S. households, the new Sinclair would dramatically

⁷ (2004 January 15). Do Local Owners Deliver More Localism? Some Evidence From Local Broadcast News. *Federal Communications Commission*. Retrieved from https://apps.fcc.gov/edocs_public/attachmatch/DOC-267448A1.pdf

⁸ Topper, J. et al. (2013 November 6). Something's happening to local news. *The Baltimore Sun*. Retrieved from <http://www.baltimoresun.com/news/opinion/oped/bs-ed-sinclair-20131106-story.html>

⁹ Turmelle, L. (2017 May 8). Proposed Tribune acquisition could send familiar faces packing. *New Haven Register*. Retrieved from <http://www.nhregister.com/business/article/Proposed-Tribune-acquisition-could-send-familiar-11315459.php>

exceed the congressionally established national television ownership rules, which cap the reach of a single company's television stations at 39 percent of U.S. television households.

Even with your inexplicable decision to reinstate the UHF discount, which may not survive litigation, the combined company would still exceed the national cap by 6.5 percent. However, it is evident Sinclair pays little respect to such rules protecting the public's interest and views them merely as obstacles to be gamed. In fact, Sinclair's former CEO has said, "I'd like to have 80 percent of the country if I could get it. I'd like to have 90 percent."¹⁰

In addition, this transaction would violate the local television ownership rule, also known as the "duopoly rule," in at least ten markets where both Sinclair and Tribune currently own or operate stations. This rule limits common ownership of television stations serving the same geographic region, and regulates the type of stations and network affiliations that may be commonly held even when multiple ownership is allowed. Multiple ownership has been demonstrated to decrease local news programming. Instead of respecting the objectives of these rules, Sinclair deliberately and repeatedly skirted these rules in market after market by striking deals known as "sidecars" to control and operate stations it isn't allowed to directly own under current media ownership rules.

To be sure, the newly proposed transaction would violate the duopoly rule in ten or more markets, even without counting the new "sidecars" that this deal could create. But *de facto* control of multiple stations should be viewed as a clear violation of localism – whether or not these broadcasters hold all of the licenses or control some of the stations through such arrangements. In February 2014 comments filed with the FCC, the Department of Justice called out these agreements because they "often confer influence or control of one broadcast competitor over another" and said they warrant tougher regulations.¹¹ The DOJ recommended the FCC "scrutinize agreements on a case-by-case basis and take action where those agreements do not serve the public interest." In March 2014, the FCC's Media Bureau issued a public notice stating that it would closely scrutinize any proposed transaction that includes such "sidecar" agreements.

Under your leadership, the Media Bureau rescinded this well-considered guidance in February 2017. The obvious effect of this rescission was to reduce the level of scrutiny your agency would be required to apply to Sinclair's proposed transaction.

The FCC established media ownership rules for the express purpose of protecting and advancing localism and communities' access to such information. For the FCC to now approve the Sinclair-Tribune merger, in blatant violation of these long-regarded rules, would demonstrate an abject failure by the FCC to abide by its duty to uphold and promote localism.

¹⁰ Potter, D. and Masta, K. (2014 March 26). A Boom in Acquisitions and Content Sharing Shapes Local TV News in 2013. *Pew Research Center; Journalism & Media*. Retrieved from <http://www.journalism.org/2014/03/26/a-boom-in-acquisitions-and-content-sharing-shapes-local-tv-news-in-2013/>

¹¹ Flint, J. (2014 February 21). Justice Department wants tougher oversight of local broadcasters. *Los Angeles Times*. <http://www.latimes.com/entertainment/envelope/cotown/la-et-ct-justice-department-broadcasters-20140221-story.html>

Promoting localism is a value core to FCC's mission and also a thoroughly bipartisan value. That's why a collection of diverse conservative media outlets have also submitted filings urging you to deny the merger. In its filing, Newsmax wrote, "The level of media concentration proposed by this transaction will homogenize the content available to U.S. consumers, eliminate unique viewpoints and reduce press diversity, especially in the delivery of local news."¹²

As you know, the FCC's obligation to promote diversity and localism, and to ensure that broadcasters are responsive to the needs and interests of the local community, is enshrined in the Communications Act. You have a duty to uphold this obligation. The Sinclair/Tribune transaction poses a clear threat to local communities, which deeply value their access to independent local news. I urge you to deny Sinclair's proposal to acquire Tribune.

Sincerely,



Richard Blumenthal
United States Senate

¹² Ember, S. (2017 August 8). Sinclair Deal Draws Unlikely Opponent: Conservative News Media. *The New York Times*. Retrieved from <https://www.nytimes.com/2017/08/08/business/media/sinclair-bid-to-acquire-tribune-media-draws-opposition.html>



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

December 19, 2017

The Honorable Richard Blumenthal
United States Senate
706 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Blumenthal:

Thank you for your letter regarding Sinclair Broadcast Group's proposed acquisition of Tribune Media. I appreciate hearing your views, and your letter will be made part of the official record of the proceeding.

Consistent with our rules, the Commission will evaluate whether this proposed transaction is in the public interest. While I am unable to discuss the merits of this particular proceeding, I can assure you that the Commission is conducting an open and transparent process as required by FCC rules and regulations and that our decision will be based on a careful analysis of the robust record that has been developed.

Again, thank you for your interest in this matter.

Sincerely,

A handwritten signature in black ink, reading "Ajit V. Pai", is positioned above the printed name. The signature is fluid and cursive, with the first letters of each word being capitalized and prominent.

Ajit V. Pai