

ONE HUNDRED FIFTEENTH CONGRESS
Congress of the United States
House of Representatives

COMMITTEE ON ENERGY AND COMMERCE

622

2125 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6115

Majority (202) 225-2927
Minority (202) 225-3641

August 7, 2018

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

Dear Chairman Pai:

Recent press reports raise questions as to whether Sinclair Broadcast Group, Inc. (Sinclair) illegally exercised control over the advertising activities of Tribune Media Company (Tribune).¹ Coordination of this type may constitute a violation of the Communications Act² as well as Antitrust Law.³

We write to urge you to investigate whether Sinclair violated Section 310(d) or other provisions of the Communications Act.⁴ Section 310(d) prohibits the *de facto* transfer or control of a broadcast television license without Federal Communications Commission (FCC) consent.⁵ An FCC investigation is warranted in light of recent reports that the Department of Justice (DOJ) is investigating whether the sales teams of Sinclair and Tribune were improperly coordinating

¹ *Justice Department Investigates TV Station Owners Over Advertising Sales*, Wall Street Journal (July 26, 2018).

² See 47 U.S.C. § 310(d).

³ See 15 U.S.C. § 18a; see also 15 U.S.C. § 1.

⁴ 47 U.S.C. § 310(d) (“No construction permit or station license, or any rights thereunder, shall be transferred, assigned, or disposed of in any manner, voluntarily or involuntarily, directly or indirectly . . . except upon application to the Commission.”).

⁵ See e.g., *Edwards*, Memorandum Opinion and Order and Notice of Apparent Liability, FCC 01-336 (Rel. Dec. 10, 2001).

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Page 2

regarding their advertising sales performance, resulting in higher rates.⁶ Moreover, Sinclair has a history of improperly exercising *de facto* control over stations it did not own, further supporting the need for review.⁷

This investigation should be conducted separate and apart from the questions recently designated for a hearing by the Commission as they are distinct issues and legal questions.⁸ Additionally, should the DOJ or FCC find that either Sinclair or Tribune engaged in illegal conduct during the pendency of their proposed transaction, such conduct may have a bearing on their ability to satisfy the FCC's character requirements for broadcast licensees.⁹

We appreciate your attention to this important matter. Please provide an update regarding any and all FCC activity related to this request by August 28, 2018. Should you have any questions, please contact Gerald Leverich of the Democratic Committee staff at (202) 225-3641.

Sincerely,



Frank Pallone, Jr.
Ranking Member



Mike Doyle
Ranking Member
Subcommittee on Communications
and Technology

⁶ *Justice Department Investigates TV Station Owners Over Advertising Sales*, Wall Street Journal (July 26, 2018).

⁷ See e.g., note 5.

⁸ *Applications of Tribune Media*, Hearing Designation Order, MB Docket No. 17-179, FCC 18-100 (Rel. July 19, 2018).

⁹ See 47 U.S.C. § 308.



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

December 31, 2018

The Honorable Frank Pallone
Ranking Member
Committee on Energy and Commerce
U.S. House of Representatives
2322A Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Pallone:

Thank you for your letter noting press reports of a Department of Justice investigation into certain advertising activities of Sinclair Broadcast Group. On November 13, 2018, the Department of Justice announced that it reached a settlement with six broadcast companies, including Sinclair, to resolve a lawsuit involving these and other advertising activities.¹ The proposed settlement prohibits the direct or indirect sharing of competitively sensitive information, requires them to cooperate in the Department's ongoing investigation, and further requires "rigorous antitrust compliance and reporting measures" to prevent similar conduct in the future.²

As you know, on July 18, 2018, the Commission unanimously approved an order designating for hearing before the Office of the Administrative Law Judge a proposed transaction between Sinclair and Tribune Media Company. The order directs the Media Bureau to hold in abeyance all other matters related to the proposed transaction until the issues that are the subject of the order have been resolved by the Administrative Law Judge. Those issues remain pending. The FCC recently approved the appointment of a new Administrative Law Judge to serve in this office. At this time, it would be premature to speculate on what further steps if any the Commission might take with respect to the issues you raise.

Thank you for your continued interest in this matter. Please let me know if I can be of any further assistance.

Sincerely,



Ajit V. Pai

¹ Press Release, "Justice Department Requires Six Broadcast Television Companies to Terminate and Refrain from Unlawful Sharing of Competitively Sensitive Information" (Nov. 13, 2018), *available at* <https://www.justice.gov/opa/pr/justice-department-requires-six-broadcast-television-companies-terminate-and-refrain-unlawful>.

² *Id.*



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Ranking Member
Subcommittee on Communications and Technology
Committee on Energy and Commerce
U.S. House of Representatives
2322A Rayburn House Office Building
Washington, D.C. 20515

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⁴ *Id.*