



October 13, 2017

VIA ELECTRONIC FILING

Marlene H. Dortch, Esq.
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: *Ex Parte Notification*

Applications of Tribune Media Company and Sinclair Broadcast Group for Consent to Transfer Control of Licenses and Authorizations, MB Docket No. 17-179;

Modernization of Media Regulation Initiative, MB Docket No. 17-105;

Amendment of Section 73.3555(e), UHF Discount, MB Docket No. 13-236;

Restoring Internet Freedom, WC Docket No. 17-108; and

Elimination of the Main Studio Rule, MB Docket No. 17-106

Dear Ms. Dortch:

On October 11, 2017 Christopher Ruddy, CEO of Newsmax Media Inc., (“Newsmax”), Talbott Maxey, a Newsmax advisory board member, and its representative, the undersigned of Hope Beckham Inc., met with Commissioner Rosenworcel and Legal Advisor, Kate Black, regarding the above-referenced proceedings.

Mr. Ruddy expressed his concerns about the Applications of Tribune Media Company and Sinclair Broadcast Group for Consent to Transfer Control of Licenses and Authorizations (“Sinclair Merger”). Specifically, Mr. Ruddy noted that the timing of the UHF discount decision made just three weeks before the announcement of the Sinclair-Tribune merger, gave the appearance that the Commission had taken an action to favor one company. Though the FCC’s discount decision was a momentous one impacting the statutorily mandated national ownership cap, the FCC did not seek industry, public and Congressional feedback before doing so.

Additionally, Mr. Ruddy noted that on May 18, 2017 - just four weeks after the FCC re-instated the UHF discount, and ten days after the announcement of the Sinclair Merger - the Commission released a Notice of Proposed Rulemaking seeking to eliminate the main studio rule; a regulation which requires broadcasters to maintain local news and programming studios for the benefit of the communities they serve. Mr. Ruddy indicated to Commissioner Rosenworcel that the elimination of the main studio rule had also been an agenda item of Sinclair's, which has sought to dramatically reduce their programming costs.

Mr. Ruddy said the timing of both FCC decisions, within days of the Sinclair announcement, could undermine public confidence in the agency. He said there was growing interest in Congress to understand why the FCC took these actions that seemingly benefit Sinclair. Commissioner Rosenworcel noted that the Commission's long-standing mission was to ensure that the broadcasting industry maintained diversity, localism and competition. Mr. Ruddy agreed that these principles have long been supported by a bipartisan consensus and that the recent FCC decisions were not consistent with those objectives.

Mr. Ruddy noted that the merger would open the door for a massive consolidation of local broadcast channels by just a handful of major networks, notably NBC, ABC, CBS and Fox. Such a consolidation would undermine diversity, localism and competition. Further, these "mega-networks" will undoubtedly use more homogenized and centrally-produced content. Mr. Ruddy was especially concerned that centrally produced local news content could be more open to manipulation.

Mr. Ruddy and Commissioner Rosenworcel shared the view that local broadcast news has become increasingly important. Mr. Ruddy noted that with the rise of the internet traditional newspapers have declined and the internet has yet to provide any serious competition to local television news. A free press, Mr. Ruddy argued, is predicated on a diverse press. Mr. Ruddy and Commissioner Rosenworcel agreed that the Commission should engage in a comprehensive review of media ownership rules, including seeking comment from the public and Congress before deciding on the Sinclair merger itself.

Mr. Ruddy and Commissioner Rosenworcel discussed the financial harm to consumers of the Sinclair Merger. Mr. Ruddy and Commissioner Rosenworcel agreed that the Sinclair Merger would likely lead to higher retransmission consent prices, a cost that would inevitably be passed on to consumers in the form of higher cable bills. Commissioner Rosenworcel also reviewed with Mr. Ruddy how the proposed transaction could be utilized to force adoption of ATSC 3.0 creating a windfall for Sinclair as a result of its patents on this technology. Such a windfall would also come at the expense of consumers as they would be forced to purchase new television sets or adapters to continue to receive free, over the air television in 72 percent of the United States.

Finally, Commissioner Rosenworcel and Mr. Ruddy examined the Commission's efforts to reclassify broadband back under Title I of the Communications Act. While

Newsmax has not taken a position on how FCC finds the legal authority to implement essential network neutrality principles, Mr. Ruddy shared his views that any rules must protect news agencies and political speech from discrimination. Mr. Ruddy and Commissioner Rosenworcel discussed whether Title I could be construed to provide these essential protections.

Respectfully submitted,

/s/ John Simpson

John Simpson
Consultant to Newsmax
703-201-5683

cc: Kate Black