

March 15, 2018

Via Electronic Filing

Marlene H. Dortch
Secretary
Federal Communications Commission
445 Twelfth St., S.W.
Washington, D.C. 20554

Re: Notice of *Ex Parte* Presentation: In the Matter of Applications to Transfer Control of Tribune Media Company to Sinclair Broadcast Group, Inc., MB Docket No. 17-179.

Dear Ms. Dortch:

On March 13, 2018, Brian Hess, Executive Director of the Sports Fans Coalition (SFC), and the undersigned of the Computer & Communications Industry Association (CCIA) met with Evan Swarztrauber, Policy Advisor for Commissioner Carr. We discussed the proposed takeover of Tribune Media Company by Sinclair Broadcast Group, Inc., which our organizations strongly oppose as members of the Coalition to Save Local Media.

In addition to arguments that our organizations have made in this proceeding,¹ we responded to the recent spate of additional filings that Sinclair continues to put before the Commission.² Sinclair's new plans have garnered mostly negative attention – mostly because Sinclair would still be able to control the stations that it claims it will divest.³

¹ See, e.g. Additional Comments of CCIA, MB Docket No. 17-179 (filed Nov. 2, 2017), <https://ecfsapi.fcc.gov/file/110235509418/17-179%20CCIA%20Additional%20Comments.pdf>; Reply Comments of CCIA, MB Docket No. 17-179 (filed Aug. 29, 2017), <https://ecfsapi.fcc.gov/file/108291865128400/17-179%20CCIA%20Reply%20Comments.pdf>; Reply Comments of Sports Fans Coalition, MB Docket No. 17-179 (filed Aug. 29, 2017), https://ecfsapi.fcc.gov/file/1083081596200/SFC%20Sinclair-Tribune%20REPLY%20COMMENTS%20FINAL_082917.pdf.

² Amendment to June Comprehensive Exhibit, MB Docket No. 17-179, (filed Feb. 20, 2018) (“February Amendment”); Amendment to June Comprehensive Exhibit, MB Docket No. 17-179, (filed March 7, 2018) (“March Amendment”).

³ See Norman J. Ornstein, *This major challenge to local news has gone almost unnoticed*, WASH. POST (Mar. 13, 2018),

https://www.washingtonpost.com/opinions/this-major-challenge-to-local-news-has-gone-almost-unnoticed/2018/03/13/e4c78882-180f-11e8-92c9-376b4fe57ff7_story.html?utm_term=.65753e1984c7, (“But even though selling . . . [stations in Chicago and New York] would on the surface significantly reduce Sinclair’s national coverage — Sinclair claims it would take it back under the 39 percent cap — its UHF discount and sidecar agreements in New York and Chicago to a family trust and a close Sinclair business associate, respectively, make that claim laughable.”); Lorraine Mirabella, *Friendly buyers step up to help Sinclair shed enough TV stations to appease regulators*, BALT. SUN, Mar. 9, 2018, <http://www.baltimoresun.com/business/bs-bz-sinclair-tribune-station-sales-20180307-story.html> (“Sinclair would continue to reap advertising and other revenue from those stations and later have an option to buy them back.”); Cynthia Littleton, *Sinclair’s ‘Brazen’ Plan to Sell New York, Chicago Stations With Strings Attached Draws Criticism*, VARIETY, Mar. 3, 2018, <http://variety.com/2018/tv/news/sinclair-tribune-merger-new-york-chicago-station-sale-1202716597/> (“Moreover, the sale price for both stations is shockingly low: \$15 million for WPIX and \$60 million for WGN. Sinclair would not only continue to operate the stations and receive the lion’s share of their revenue, but the sale agreement with both buyers gives Sinclair an option to buy the stations back within eight years.”); Todd Shields, *Sinclair Station Buyers in Tribune Deal Would*

CCIA continued to urge the Commission to reject this merger because it will harm competition and technological advancement. The Commission has made promoting 5G deployment a priority, and it has noted that “Chairman Pai is focused on a strategy that will make additional low-, mid-, and high-band spectrum available for 5G services.”⁴ A key part of making additional low-band spectrum available was the recent broadcast incentive auction, which was wildly successful, raising over \$20 billion for 600 MHz licenses.⁵ This low-band spectrum is critical for wireless signals to reach long distances, particularly in underserved, rural areas. When it reviews mergers, the Commission should consider how the transaction “will affect the quality of communications services or will result in the provision of new or additional services to consumers”, and “technological and market changes as well as trends within the communications industry, including the nature and rate of change.”⁶ However, Sinclair has a longstanding goal of delaying the repacking process and could adversely affect “the quality of communications services” and slow the rollout of 5G. The combined company would be the dominant seller and buyer of broadcast equipment that is necessary for broadcasters to move off their channels and free up spectrum that was auctioned off. This is because Sinclair already owns Dielectric LLC, the dominant antenna manufacturer, and Acrodyne Services, a television equipment servicing company.

Beyond Sinclair’s continued difficulties in complying with the law, as Norman Ornstein of the American Enterprise Institute stated, “Approval [by the Commission] would likely trigger a hemorrhage in local reporting and voices and a sharp decline across much of the nation in balanced coverage of politics and government.”⁷ SFC emphasized that whenever Sinclair buys a new station, it typically fires sports reporters first. This practice harms localism, which is a core principle for the Commission, because sports events, like high school championships, are important for local communities. SFC is also concerned about Sinclair’s propensity to use major sporting events as leverage during retransmission consent negotiations, increasing the likelihood that sports fans will lose access to their local teams.

Have Company Ties, BLOOMBERG, Mar. 2, 2018, <https://www.bloomberg.com/news/articles/2018-03-02/sinclair-station-buyers-in-tribune-deal-would-have-company-ties> (“WGN in Chicago would be sold for \$60 million to a Maryland executive whose car dealership is controlled by Sinclair Executive Chairman David Smith. And WPIX in New York would go for \$15 million to a company controlled by the estate of Smith’s mother.”); Robert Channick, *Sinclair deal to sell WGN to chairman’s business partner gives broadcaster control*, CHI. TRIB., Mar. 1, 2018, <http://www.chicagotribune.com/business/ct-biz-sinclair-sale-wgn-tv-tribune-20180226-story.html> (“Sinclair Broadcast Group is selling WGN-TV to a Maryland auto dealer but would remain in control of the station in what critics say is a bid to skirt ownership limits and win federal regulatory approval for its proposed \$3.9 billion acquisition of Tribune Media”); *see also* Notice of *ex parte* from ACA, MB Docket No. 17-179 (filed Mar. 12, 2018) (detailing concerns about Sinclair’s latest divestiture plans, including how Sinclair would use divestiture trust and temporary waivers).

⁴ *Leading the World Towards a 5G Future*, FED. COMM’NS COMM’N, <https://www.fcc.gov/5G> (last visited Mar. 14, 2018); *see also* Remarks of Fed. Comm’ns Comm’n Commissioner Brendan Carr at the Consumer Technology Association’s 5G Day, “Ensuring the United States is 5G Ready,” Washington, D.C. (Feb. 28, 2018), https://transition.fcc.gov/Daily_Releases/Daily_Business/2018/db0228/DOC-349499A1.pdf; Remarks of Fed. Comm’ns Comm’n Chairman Ajit Pai at the Mobile World Congress, Barcelona Spain (Feb. 26, 2018), https://transition.fcc.gov/Daily_Releases/Daily_Business/2018/db0226/DOC-349432A1.pdf.

⁵ *Broadcast Incentive Auction and Post-Auction Transition*, FED. COMM’NS COMM’N (May 9, 2017), <https://www.fcc.gov/about-fcc/fcc-initiatives/incentive-auctions>; Colin Gibbs, T-Mobile, Dish and Comcast Top Bidders in Incentive Auction While Verizon Looks On, FIERCEWIRELESS (Apr. 13, 2017), <http://www.fiercewireless.com/wireless/t-mobile-dish-and-comcast-top-bidders-incentive-auction-while-verizonlooks>.

⁶ Comcast/NBCU Order, 26 FCC Rcd. at 4249-50, ¶23.

⁷ Ornstein, *supra* note 3.

This takeover is bad for competition, bad for technological advancement and 5G, and bad for localism and diversity. We urge the Commission to reject this transaction; provide for an additional comment period so the public can review and respond to Sinclair's multiple, recent, amended submissions; and, at the very least, maintain the pause in the review "shot clock."⁸

This letter is provided to your office in accordance with Section 1.1206 of the Commission's rules.

Respectfully submitted,

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⁸ See Letter from Michelle M. Carey, Chief of Media Bureau, Fed. Commc'ns Comm'n, to Miles S. Mason, Pillsbury Winthrop Shaw Pittman LLP, and Mace J. Rosenstein, Covington & Burling LLP, MB Docket No. 17-179 (Jan. 11, 2018), <https://ecfsapi.fcc.gov/file/01113103321641/DA-18-38A1.pdf> (announcing that the Commission would pause its informal 180-day shot clock as of January 4, 2018).