PETITION TO DENY

Steinman Communications, Inc. (“Steinman”), by its counsel, and pursuant to Section 73.3584 of the Commission’s Rules, 1/ hereby petitions the Commission to deny the above-referenced applications (collectively, the “Tribune-Sinclair Transfer Applications”).

Steinman, through its subsidiaries, is a long-established daily newspaper publisher and broadcast station licensee – but currently not in the same market, as the Commission’s outmoded Newspaper-Broadcast Cross-Ownership (“NBCO”) rule prohibits all but certain grandfathered newspaper-broadcast same-area combinations. 2/ It would be inequitable for the Commission to approve the proposed Tribune-Sinclair transaction, which will

1/ 47 C.F.R. § 73.3584; see also Public Notice, DA 17-647 (rel. Jul. 6, 2017) (setting August 7, 2017, as Petition to Deny date).

2/ See 47 C.F.R. § 73.3555(d). As established in the attached Declaration of Robert M. Krasne, President, Chief Executive Officer and Chairman of the Board of Steinman, Steinman has standing to file this Petition to Deny as a media competitor to Tribune Media Company (“Tribune”) and Sinclair Broadcast Group, Inc. (“Sinclair”) in the Harrisburg-Lancaster-Lebanon-York, Pennsylvania Designated Market Area (“DMA”).
require either waivers and/or rule changes and/or divestitures to overcome the current national television and local television ownership limits, while newspaper publishers such as Steinman continue to be hampered in the competitive marketplace by the outdated NBCO rule. Steinman, as publisher of the Lancaster, Pennsylvania, daily newspaper, LNP, and other publications, would be harmed by FCC grant of the Tribune-Sinclair Transfer Applications while the old NBCO rule remains in place. Specifically, if a new television station duopoly were authorized by the Commission in the Harrisburg-Lancaster-Lebanon-York DMA, Steinman’s publications would face a strengthened, consolidated media competitor for audience and advertisers, while Steinman would be barred from similar market efficiencies. Moreover, to the extent that a television duopoly in this market continues to be prohibited, either WPMT(TV), York, or WHP-TV, Harrisburg, would need to be divested, in which event, Steinman would be harmed by its exclusion from the bidding for that rare broadcast acquisition opportunity due to the antiquated NBCO rule.

The Commission’s dockets are overflowing with evidence and reasoned evaluation that the NBCO rule, to the extent ever justified, has overstayed its usefulness and must be eliminated. Nevertheless, the revocation of the NBCO rule keeps getting pushed back and pushed back, to the disadvantage of media companies pursuing operational and cross-platform efficiencies and to the detriment of the public seeking well-resourced information outlets.

The Commission cannot, in fairness, on the one hand rule on the various multiple ownership issues presented by the Tribune-Sinclair Transfer Applications, while on the other

\[3/\] See, e.g., MB Docket Nos. 14-50, 09-182, 07-294 and 04-256.
hand continuing to tie the hands of newspaper publishers to effectively compete in the media marketplace. No action should be taken on the Tribune-Sinclair transaction, which conceivably could relieve the parties from the restrictions of the current rules impacting national and local television ownership, unless and until the Commission provides global relief from the restrictions of NBCO rule. Nor, as noted above, would action on the Tribune-Sinclair Transfer Applications while holding Tribune and Sinclair to the current rules obviate the need for elimination of the NBCO rule, as in-market daily newspaper publishers such as Steinman would be harmed by being barred from the resultant divestiture sale opportunities.

Moreover, as pointed out by other commenters in this proceeding, 4/ the Tribune-Sinclair Transfer Applications suffer from basic procedural irregularities. That is, notwithstanding the applicants’ protestations to the contrary, 5/ the Applications are materially incomplete. Not only do the Tribune-Sinclair Transfer Applications fail to establish the public interest benefit of the proposed transaction, the Applications are critically cryptic in the outcomes sought by the applicants – will they or won’t they seek (and justify) multiple ownership waivers or television station divestitures and in which markets and to whom?

Specifically, in connection with the local television ownership rule, the Comprehensive Exhibit to the Tribune-Sinclair Transfer Applications (at page 12) states:

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4/ See, e.g., DISH Network L.L.C., American Cable Association and Public Knowledge, Motion for Additional Information and Documents and Extension of Time (Jul. 12, 2017).

As noted above, the applicants own stations in several markets where Sinclair’s common ownership of the combined stations would exceed the current limits imposed by the Commission’s local television ownership rules. Accordingly, the applicants intend to take actions in such markets as necessary to comply with the terms of the Merger Agreement and the Commission’s local television ownership rules as required in order to obtain FCC approval of the Transaction. 

To the extent that there are changes, or proposed changes, to the local ownership rules that would permit acquisition of the Tribune licenses in any of these markets, the applicants may file amendments to the applications to address such changes. To the extent that divestitures may be necessary, applications will be filed upon locating appropriate buyers and signing appropriate purchase agreements. 

(emphasis added)

So, neither the Commission nor the commenting public knows at this time what media ownership landscape Sinclair is envisioning at the end of its proposed transaction with Tribune, and what -- and where -- waivers, or rule changes, or divestitures, or some or all of the above, are necessary. Unless and until such clarifying amendments are filed, the Tribune-Sinclair Transfer Applications remain materially incomplete and the thirty-day comment period should not commence.

In sum, the pleading cycle should not yet be triggered for the materially incomplete Tribune-Sinclair Transfer Applications, and in any event, the Commission should not grant its consent to this proposed transaction without also relieving daily newspaper competitors from the obsolete NBCO rule. Action on the Tribune-Sinclair Transfer Applications would give Sinclair, as well as potential divestiture acquirers without daily newspaper platforms, an unfair advantage in the competitive marketplace for audience and advertisers.
Respectfully submitted,

STEINMAN COMMUNICATIONS, INC.

By: ____________________________

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Its Attorney

August 7, 2017
DECLARATION

I, Robert M. Krasne, hereby declare under penalty of perjury that:

1. I am the President, Chief Executive Officer and Chairman of the Board of Directors of Steinman Communications, Inc. ("Steinman"). Steinman is an innovative multi-channel communications group that delivers high quality information and entertainment to diverse audiences through newspaper, broadcast and digital programming and advertising, digital marketing services, printing and database marketing. I understand that this Declaration will be filed with the Federal Communications Commission ("FCC").

2. Through a holding company, Steinman is the owner of LNP Media Group, Inc., the publisher of the Lancaster, Pennsylvania, daily newspaper of general circulation, LNP. LNP traces its roots to The Lancaster Journal, established in 1794, making it one of the oldest newspapers in the United States.

3. Steinman’s publishing outlets also include Lancaster Farming, the leading farm newspaper in the Northeast and Mid-Atlantic, and the following Lancaster weeklies: The Lititz Record-Express, The Ephrata Review and The Elizabethtown Advocate. La Voz Lancaster, a bi-monthly newspaper and on-line platform under the Steinman umbrella, is Lancaster County’s only publication focused on the local Hispanic community. The Caucus, a Steinman weekly watchdog publication with investigative reporting and analysis at its core, aims to bring sunlight to state government, and is distributed to every member of the Pennsylvania state legislature and the governor.

4. Steinman is the owner (also through a holding company) of Delmarva Broadcasting Company, the licensee of broadcast radio stations serving Delaware, Maryland, Southern New Jersey, and Southeastern Pennsylvania.

5. Steinman’s broadcast experience also extends to television, as its predecessor company formerly was the licensee of television broadcast stations in Lancaster, Pennsylvania, Wilmington, Delaware, Albuquerque, New Mexico, Tucson, Arizona, and New Bedford, Massachusetts.

6. As a publisher based in Lancaster County, Pennsylvania, Steinman is a competitor with television stations for audience and advertisers in the Harrisburg-Lancaster-Lebanon-York, Pennsylvania Designated Market Area ("DMA"). Such television stations include WPMT(TV), York, Pennsylvania, and WHP-TV, Harrisburg, Pennsylvania. If the FCC were to authorize the common ownership or joint operations of these two television stations by virtue of its action on the applications seeking consent to the Tribune Media Company-Sinclair Broadcast Group, Inc. transaction, Steinman would be faced with a strengthened, consolidated competitor in the quest for audience and advertisers in this DMA, to the detriment of the Steinman publication operations and Steinman’s service to the public.
7. In the event that WPMT(TV), York, Pennsylvania, or WHP-TV, Harrisburg, Pennsylvania, was to be divested to complete the Tribune Media Company-Sinclair Broadcast Group, Inc. proposed transaction, Steinman would be interested in evaluating the terms of such divestiture sale towards the goal of Steinman making a qualified bid to acquire a broadcast television station in the Harrisburg-Lancaster-Lebanon-York, PA DMA, while continuing to publish the daily LNP. If the Newspaper-Broadcast Cross-Ownership rule prevented Steinman from entering into such an acquisition, Steinman would be harmed by foregoing the prospect of financial benefits from the resultant same-market efficiencies and multi-platform marketing opportunities.

8. I have reviewed the Steinman Petition to Deny to be filed in FCC MB Docket No. 17-179, and declare that the factual statements therein regarding Steinman are true and accurate to the best of my personal knowledge, understanding and belief.

[Signature]

Robert M. Krasne

Dated: August 7, 2017
CERTIFICATE OF SERVICE

I, Marissa G. Repp, do hereby certify that a copy of the foregoing Petition to Deny is being sent via first-class, U.S. Mail, postage prepaid, and/or by e-mail, as specified, this 7th day of August, 2017, to the following:

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