



Federal Communications Commission
Washington, D.C. 20554

September 14, 2017

Via Electronic Mail

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Re: Applications to Transfer Control of Tribune Media Company to Sinclair Broadcast Group, Inc., MB Docket No. 17-179

Dear Counsel:

On June 26, 2017, the Federal Communications Commission (Commission) accepted for filing applications seeking consent to the transfer of control of subsidiaries of Tribune Media Company (Tribune) holding the licenses of full-power broadcast television stations (and related broadcast auxiliary facilities), low-power television stations, TV translator stations, and one AM radio station to Sinclair Broadcast Group, Inc. (Sinclair, jointly the Applicants).¹ In order for the Commission to review the applications and make the necessary public interest finding under section 310(d) of the Communication Act of 1934, as amended (the Act),² we require additional information, documents, and clarifications of certain matters discussed in the applications and other information submitted to the Commission. If necessary, we will follow up with additional requests for information and documents.

Accordingly, pursuant to section 308(b) of the Act, we request that the Applicants provide written responses and supporting documentation for each request set forth in the enclosed Request for Information (Request) and, where appropriate, amend the applications to reflect such responses. We would appreciate receiving your responses no later than October 5, 2017. For instructions on how to

¹ *Media Bureau Establishes Pleading Cycle for Applications to Transfer Control of Tribune Media Company to Sinclair Broadcast Group, Inc. and Permit-but-Disclose Ex Parte Status for the Proceeding*, Public Notice, MB Docket No. 17-179, DA 17-647 (MB July 6, 2017) (Public Notice).

² 47 U.S.C. § 310(d).

identify and organize the information, data, documents, and narrative responses called for by the Request, please see the instructions that accompany the enclosed Request.

Your responses should be filed with Marlene H. Dortch, Secretary of the Commission, under reference number MB Docket No. 17-179. For any responses that are submitted on paper, please file in accordance with the Public Notice. For any responses filed electronically, please submit them according to the attached instructions and coordinate with Commission staff, or designated information technology personnel, to ensure that any responsive electronic records are submitted to the Commission in a technological format that is compatible with Commission database systems and are processed and organized in a manner that is acceptable to the Commission. For any electronic filings made using the Commission's Electronic Comment Filing System, please also serve the documents via e-mail to Vanessa Lemmé at Vanessa.Lemme@fcc.gov.

If you have any questions regarding this matter, please contact David Brown, Deputy Chief, Video Division, Media Bureau, at (202) 418-1645 or David Roberts, Video Division, Media Bureau, at (202) 418-1618.

Sincerely,



Michelle M. Carey
Chief
Media Bureau

Enclosures

REQUEST FOR INFORMATION FROM SINCLAIR AND TRIBUNE

1. On page 26 of the Comprehensive Exhibit, the Applicants assert that Post-Transaction the Combined Company would exceed the permissible commercial broadcast television national audience reach, 47 C.F.R. § 73.3555(e).³ Specifically, they state that “without divestiture, the combined company would have an audience reach approximately 6.5% in excess of the 39% cap.”⁴ The Applicants do not give Sinclair’s current national audience reach. Describe in detail and provide documents that support and demonstrate Sinclair’s current national audience reach and the specific calculations and methodology used to determine both that figure as well as the Post-Transaction 45.5 percent national audience reach.
2. On page 26 of the Comprehensive Exhibit, the Applicants state that they will:

[T]ake such actions to the extent required to comply with the terms of the Merger Agreement and the national television ownership limit (including the UHF Discount), in order to obtain FCC approval of the transaction. To the extent that there are changes, or proposed changes, to the national television ownership limit, the applicants may file amendments to the applications to address such changes.⁵

The Applicants do not indicate what steps, if any, they have already taken or what specific steps they plan to take Post-Transaction to comply with the national ownership limit. Describe in detail and provide documents that support your description of what specific steps the Applicants have taken and/or what specific steps they plan to take to comply with the national ownership limit, including a complete list of stations that would be divested to comply with 47 C.F.R. § 73.3555(e) and any attempts to market those stations, including, but not limited to, contacts with station brokers and/or potential buyers, any plans to request permission to place stations in divestiture trusts, and/or any plans to seek a waiver(s) of 47 C.F.R. § 73.3555(e).

3. On pages 13-14 of the Comprehensive Exhibit, the Applicants list ten Designated Market Areas (DMAs) where Sinclair and Tribune both own full-power commercial television broadcast stations, but the Commission’s local broadcast television ownership rules, 47 C.F.R. § 73.3555(b), would not permit the Combined Company to own all the current Sinclair and Tribune Stations in the DMA post consummation (Non-Compliant Overlap Markets).⁶ For each Non-Compliant Overlap Market, provide a detailed showing with supporting documents listing the Top Four stations as measured by Nielsen Research Service or any comparable ratings service; and a detailed showing with supporting documents of the full-power commercial and non-commercial television broadcast stations in each Non-Compliant Overlap Market, including a showing listing the current independently owned and operating, full power, commercial and

³ Comprehensive Exhibit to Transfer Applications (Comprehensive Exhibit) at 26.

⁴ *Id.* Applicants have relied on the UHF Discount in their calculations. *Id.*

⁵ *Id.*

⁶ *Id.* at 13-14.

noncommercial TV stations and a showing listing the independently owned and operating, full power, commercial and noncommercial TV stations that would remain Post-Transaction. In each Non-Compliant Overlap Market, specify if any of the noise-limited contours of the listed stations do not overlap the noise-limited contours of the Applicants' stations.

4. On page 12 of the Comprehensive Exhibit, the Applicants state that in the Non-Compliant Overlap Markets they:

[I]ntend to take actions ... 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 Commission's local ownership rules that would permit acquisition of the Tribune licenses in any of these markets in which such ownership is currently prohibited, the applicants may file amendments 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.⁷

The Applicants do not indicate what steps, if any, that they have taken so far to comply with the local television ownership rules. Describe in detail and provide documents that support and demonstrate what steps, if any, the Applicants have taken or plan to take to comply with the local television ownership rules, including a complete list of stations that would be divested to comply with 47 C.F.R. § 73.3555(b) and any attempts to market those stations, including, but not limited to; contacts with station brokers and/or potential buyers, any plans to request permission to place stations in divestiture trusts, and/or any plans to seek a waiver(s) of 47 C.F.R. § 73.3555(b).

5. On page 2 of the Comprehensive Exhibit, the Applicants state that "[t]he Transaction will produce both operating efficiencies and economies of scale...."⁸ Describe in detail, quantify, and provide documents that support and demonstrate the operational efficiencies and economies of scale that would result from the Transaction that would not be achieved absent the Transaction.
6. On page 2 of the Comprehensive Exhibit, the Applicants state that the transaction will result in

greater audience reach which will make Sinclair more attractive to programmers, including networks and syndicators, generating revenues that can be reinvested in the broadcast operations in a manner that improves service to the public.⁹

Describe in detail, quantify, and provide documents that support and demonstrate the expected impact of the greater audience reach that would result from this Transaction. In particular, demonstrate how the increased audience reach will make Sinclair more attractive to programmers

⁷ *Id.* at 12.

⁸ *Id.* at 2.

⁹ *Id.*

in a manner that would not occur absent approval of this Transaction, including, but not limited to increased ratings on existing stations; any new or enhanced presence by Sinclair in the DMAs where it holds licenses; changed viewer demographics for the company overall and/or its stations in particular; and improved MVPD distribution of Sinclair stations. Describe in detail, and provide documents that support and demonstrate how Sinclair plans to reinvest the additional revenues generated by any predicted greater audience reach and how such reinvestment will improve service to the public.

7. On page 2 of the Comprehensive Exhibit, the Applicants state:

[T]he Transaction will make implementing ATSC 3.0 more efficient by offering economies of scale in equipment purchasing and installation services. Achieving a nationwide buildout is essential for television manufacturers to create a sufficiently large market to justify production of ATSC 3.0 televisions and for mobile device manufacturers and consumer electronics retailers to begin producing and selling ATSC 3.0 mobile devices.¹⁰

Describe in detail and provide documents that support and demonstrate specific examples of the types of equipment and service(s) in which Applicants expect to realize the anticipated economies of scale described in the above quoted language and the anticipated savings they expect to achieve that would not be achieved without the proposed merger. Describe in detail and provide documents that support and demonstrate an explanation as to why this Transaction “will make implementing ATSC 3.0 more efficient by offering economies of scale in equipment purchasing and installation services.”

8. On page 3 of the Comprehensive Exhibit, the Applicants state that “Sinclair intends to increase capital investments as well as expand news and other local coverage to the Tribune Stations post-merger”¹¹
- a. Describe in detail and provide documents that support and demonstrate the capital investments that Sinclair plans to make in the Tribune Stations Post Transaction;
 - b. Describe in detail and provide documents that support and demonstrate any specific plans that Sinclair has made to add local programming, local newscasts and/or local sports at the Tribune Stations Post-Transaction;
 - c. Describe in detail and provide documents that support and demonstrate any specific plans that Sinclair has made to increase coverage of state government and local government at the Tribune Stations Post-Transaction;
 - d. Describe in detail and provide documents that support and demonstrate any specific plans that Sinclair has made to increase or decrease the number of investigative reporters or journalists at the Tribune Stations Post-Transaction;

¹⁰ *Id.* at 2.

¹¹ *Id.* at 3.

- e. Describe in detail and provide documents that support and demonstrate any specific plans that Sinclair has to increase and improve the amount of digital content on the Tribune Stations Post-Transaction.
9. On page 2 of the Comprehensive Exhibit, the Applicants state that Sinclair would “offer even greater value to multi-channel video distributors.”¹² Describe in detail and provide documents that support and demonstrate how the Transaction would offer greater value to MVPDs.
10. Provide a complete list and copies of all Sharing Agreements or Options to which either Sinclair or Tribune is a party in the DMAs in which the Tribune Stations are located. In each case, specify the type of agreement (*e.g.* local marketing agreement, shared services agreement, etc.) and the Broadcast Licensee(s) that is(are) also party to the Sharing Agreement or Option. In each case, include the term of the Agreement, its expiration date, and the terms for renewal.

¹² *Id.* at 2.

Definitions

The following definitions apply only to this Information Request. They are not intended to set or modify precedent outside the context of this document. In this Information Request, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

1. The term "FCC" means the Federal Communications Commission.
2. The term "Comprehensive Exhibit" refers to the amended Comprehensive Exhibit filed with the Commission on July 6, 2017.
3. The terms "and" and "or" have both conjunctive and disjunctive meanings.
4. The word "any" shall be construed to include the word "all," and the word "all" shall be construed to include the word "any." The word "each" shall be construed to include the word "every," and the word "every" shall be construed to include the word "each." All words used in the singular should be construed to include the plural, and all words used in the plural should be construed to include the singular.
5. The term "documents" means all computer files and written, recorded, and graphic materials of every kind in the possession, custody, or control of the Applicants. The term "documents" includes without limitation, electronic correspondence, metadata, embedded, hidden and other bibliographic or historical data describing or relating to documents created, revised, or distributed on computers systems, and all duplicates of documents (whether or not identical) in the files of or in the files maintained on behalf of all directors, officers, managers or other supervisory employees, duplicates of documents in all other files that are not identical duplicate of the originals, and duplicates of documents the original of which are not in the possession, custody, or control of the Applicants. The term "documents" includes spreadsheets, as well as underlying cell formulae and other codes. In addition, the term "documents" includes without limitation any amendments, side letters, appendices, or attachments. The term "computer files" includes without limitation information stored in, or accessible through, computer or other information retrieval systems. Thus, the Applicants should produce documents that exist in machine-readable form, including documents stored in personal computers, portable computers, workstations, minicomputers, mainframes, servers, backup disks and tapes and archive disks and tapes, and other forms of offline storage, whether on or off the Applicants' premises. Electronic mail messages should also be provided, even if only available on backup or archive tapes or disks. Computer files shall be printed and produced in hard copy or produced in machine-readable form (provided that Commission staff determine prior to submission that it would be in a format that allows the Commission to use the computer files), together with instruction and all other materials necessary to use or interpret the data. Unless otherwise specified, the term "documents" excludes bills of lading, invoices, purchase orders, customs declarations, and other similar documents of a purely transactional nature and also excludes architectural plans and engineering blueprints. Where more than one identical copy of a requested document exists, the Applicants shall only produce one representative copy.
6. The term "Tribune" means Tribune Media Company, and its Subsidiaries and Affiliates.
7. The terms "Sinclair" or the "Company" means Sinclair Broadcast Group, Inc., and its Subsidiaries and Affiliates.
8. The term "Applicants" means Sinclair and Tribune.
9. The term "Transaction" means the transaction contemplated in the applications filed by

Sinclair and Tribune, on July 6, 2017 that, if completed, would effectuate the sale of Tribune's broadcast subsidiaries to Sinclair.

10. The term "Post-Transaction" means the period of time following closing by the Applicants on the Transaction.

11. The term "Combined Company" means the entity holding, controlling, or having an attributable interest in the FCC licenses that are currently held by, controlled by, or attributed to Tribune and Sinclair, that will result Post-Transaction.

12. The term "Tribune Stations" means the television broadcast stations that are the subject of the Transaction.

13. The term "Multichannel Video Programming Distributor" or "MVPD" means an entity, including cable operators, which is engaged in the business of making available for purchase, by subscribers or customers, multiple channels of Video Programming.

14. The term "Sharing Agreement" means: (1) any contracts or other agreements by which Sinclair or Tribune provides "time brokerage" or "local marketing" as defined in 47 C.F.R. § 73.3555, Note 2(j); (2) any Joint Sales Agreements as defined in 47 C.F.R. § 73.3555, Note 2(k) to which Sinclair or Tribune is a party; (3) any agreement(s) with a Broadcast Licensee in which either Sinclair or Tribune does not own an attributable interest, but for which either Sinclair or Tribune provides any type of payroll, personnel, maintenance, or other administrative services, including, but not limited to agreements styled as "shared services agreements"; and (5) any agreements for lease of facilities by Sinclair or Tribune to any Broadcast Licensee.

15. The term "Option" shall mean any agreement which grants either Sinclair or Tribune an option to purchase either the license of a broadcast station or a Broadcast Licensee, including warrants redeemable for the purchase of equity and/or voting interests in such licensee.

16. The term "Broadcast Licensee" means any person or entity holding or having an attributable interest in a license from the FCC pursuant 47 U.S.C. § 307, *et seq.*

Instructions

1. Submit responses to Information Requests in both paper and electronic form, unless an electronic form is specified (e.g., electronic spreadsheet). Submit responsive documents (including materials containing Highly Confidential or Confidential Information) in electronic form only, unless otherwise specified. The Commission does not now require the submission of paper copies of these documents at this time, but reserves the right to require their submission at a later time.

2. The Commission accepts electronic productions loaded onto hard drives, CD-ROMs, or DVD-ROMs. Where the size of the production exceeds the capacity of a single DVD-ROM, hard drives should be used as the delivery medium. For each piece of media, a unique identifier (MEDIAID) must be provided and must be physically visible *on the exterior* of the physical item. If the media is encrypted, supply the tool for decryption on or with the same media, as well as instructions for decryption. Provide the password separately. All documents produced in electronic format shall be scanned for, and free of, viruses. The Commission will return any infected media for replacement, which may affect the timing of the Applicants' compliance with this Information Request. The Commission does not accept load file productions via email or those that are posted on download sites (e.g., FTP, secure server).

3. Where a narrative response is required, identify each document relied upon to support the Applicants' response in the narrative response.

4. Documents submitted in response to this Information Request that were or will be submitted both to the Commission and the U.S. Department of Justice must have the same Bates number.

5. Documents must be uniquely and sequentially numbered across the entire production, with an endorsement burned into each image. Each number shall be of a consistent length, include leading zeros in the number, and unique for each produced page. Numbers should contain no more than three segments connected by a hyphen. The leading segment must be the Applicant identifier, a middle segment identifying the custodian, and a sequential page counter with connecting hyphens (e.g., ABCCO-CEO-00000001). The number of digits in the numeric portion of the format should not change in subsequent productions, nor should spaces, hyphens, or other separators be added or deleted. Under no circumstances should Identification numbers contain embedded spaces, slashes (/), backslashes (\), carats (^), underscores (_), ampersands (&), hash marks (#), plus signs (+), percent signs (%), dollar signs (\$), exclamation marks (!), pipes (|), any character used as a delimiter in the metadata load files, or any character not allowed in Windows file-naming convention (\ / : * ? " < > | ~ @ ^).

6. Each responsive document shall be submitted in its entirety, even if only a portion of that document is responsive to a request made herein. This means that the document shall not be edited, cut, or expunged, and shall include all appendices, tables, or other attachments, and all other documents referred to in the document or attachments. All written materials necessary to understand any document responsive to these Requests shall also be submitted.

7. Documents written in a language other than English must be translated into English; automated or machine translations are not permitted. Submit the foreign language document with the English translation attached.

8. For each statement submitted in response to the Information Request, indicate, by number and subsection, the specific request to which it is responsive.

9. For each document submitted in response to the Information Request, identify the Person(s) from whose files the document was retrieved (i.e., the custodian). If any document is not dated, if known, state the date on which it was prepared. If any document does not identify its author(s) or recipient(s), provide, if known, the name(s) of the author(s) or recipient(s). The Applicants must identify with reasonable specificity all documents provided in response to these Requests.

10. The specific requests made herein are continuing in nature. The Applicants are required to produce in the future any and all documents and information that are responsive to the requests made herein but not initially produced. In this regard, the Applicants must supplement their responses (a) if the Applicants learns that, in some material respect, the documents and information initially disclosed were incomplete or incorrect or (b) if additional responsive documents or information are acquired by or become known to the Applicants after the initial production.