Hope Beckham INC

September 29, 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;

Promoting the Availability of Diverse and Independent Sources of Video Programming, MB Docket No. 16-41; and

Restoring Internet Freedom, WC Docket No. 17-108

Dear Ms. Dortch:

On September 27, 2017 Christopher Ruddy, CEO of Newsmax Media Inc., ("Newsmax") and the undersigned of Hope Beckham Inc., met with Chairman Ajit Pai and Legal Advisor, Alison Nemeth, 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 questioned the apparent rush to approve the Sinclair merger before the ownership cap had been fully reviewed by the Commission or Congress. Considering the far-reaching implications of the Sinclair Merger, he said the Commission had a responsibility to act in a responsible manner and give the matter due process, including seeking public feedback and Congressional oversight. Mr. Ruddy also noted that the FCC's decision to effectively change the national television ownership rule less than 3 weeks before the Sinclair Tribune merger was announced, suggested that the Sinclair and Tribune companies had foreknowledge as to the Commission's action on the UHF discount. He said if the Commission moved to

approve the merger transaction before first seeking serious feedback from the public and Congress, there would be an “appearance” of impropriety that would undermine the public’s confidence in the Commission.

Mr. Ruddy also challenged the Chairman’s public statements that the ownership caps are less relevant due to technology and the rise of social media or other online options for news. He cited a recent Pew study that found local television news is still the primary way Americans receive their news. Mr. Ruddy noted that the internet has yet to provide any serious competition to local broadcast news. The collapse of newspaper readership due to the internet has, in fact, only increased the importance of local broadcast news.

Additionally, he said the Commission had a responsibility to insure fairness and diversity in programming options at the local level. He countered claims that the Commission should allow the free market to work with less government interference. Mr. Ruddy noted that the broadcast industry is not a truly competitive, open market because of limited spectrum, government regulations, and other significant barriers for entry into the market. Based on these facts and others, the Commission has a responsibility to insure that a handful of large companies do not gain control of most of the broadcast stations in the U.S.

He further noted that ownership cap were first promulgated by President Reagan in 1985 and set the limitation at 25 percent. Congress later reset the cap at 39 percent. Since the implementation of the ownership cap there has been a bipartisan consensus that the public interest is served by preventing a few major corporations from controlling local broadcast stations and providing homogenized content. Most seriously, the Commission’s decision to effectively gut the ownership limitation by subverting Congressional law using the old UHF discount directly imperils press freedom.

Further, Mr. Ruddy indicated the Sinclair Merger has enormous implications for diversity of voices, raises serious concerns over media concentration, and if approved, will allow for an unprecedented level of broadcast television consolidation. He noted that the Telecommunications Act of 1996 removed many ownership limitations on radio. The result was a massive consolidation of the radio industry where, today, two companies control most major news, talk and music radio stations in the nation. At the same time, local radio programming has been decimated. Mr. Ruddy noted that eliminating or substantially undermining the national ownership cap vis-à-vis the UHF discount would inevitably lead to a massive consolidation of local broadcast channels by major networks, notably NBC, ABC and CBS. Local news programming, now diverse, would become centralized and open to greater control by non-local actors.

In summary, Mr. Ruddy stated that approving the Sinclair Merger before a comprehensive media ownership rulemaking raises questions about special treatment, creates uncertainty and likely results in a national ownership cap that will be in excess of 70 percent of television households and a diminution of duopoly rules. Therefore, the

Commission has a responsibility to first complete a comprehensive media ownership preceding before approving a merger that would undermine many of the existing rules.

Chairman Pai and Mr. Ruddy also discussed the Commission's efforts to reclassify broadband back under Title I of the Communications Act. While Newsmax is agnostic as to where the FCC finds the legal authority to implement essential network neutrality principles, Mr. Ruddy encouraged Chairman Pai to ensure internet service providers are not permitted to block or throttle content providers, especially accredited news outlets. Mr. Ruddy reminded the Chairman that these network neutrality protections have been in place long before the Obama Administration reclassified broadband under Title II and have been affirmed by both Republican and Democrat Administrations. Even if internet service providers have not engaged in anti-competitive activity in the past, the Commission still had an obligation to take reasonable steps to implement safeguards to protect against future abuses.

Finally, Mr. Ruddy noted that independent programmers face unique challenges in negotiating carriage. Mr. Ruddy raised concerns about Comcast's well-known political bias. He noted that vertical integration poses dangers to the public interest which have been demonstrated by Comcast's actions to not only benefit their owned and operated networks like MSNBC and CNBC, but prevent networks that do not share their political point of view from gaining access to their carriage. He said there was clear evidence they have failed to offer a fair and diverse line-up in their news channel, demonstrated by the fact that they had at least 11 liberal-leaning news and information channels, recently adding Vice News and announced plans to add Newsy, but still offered only one conservative-leaning news channel, Fox News. Mr. Ruddy suggested the FCC review the implications of vertically integrated MVPDs and refresh the languishing Availability of Diverse and Independent Sources of Video Programming docket while seeking ways to revise the Commission's program carriage rules.

Respectfully submitted,

/s/ John Simpson

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cc: Alison Nemeth