

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC**

In the Matter of	)	
	)	
Tribune Media Company (Transferor)	)	
	)	
and	)	MB Docket No. 17-179
	)	
Sinclair Broadcast Group, Inc. (Transferee)	)	
	)	
Consolidated Applications for Consent to	)	
Transfer Control	)	

**COMMENTS OF HORRY TELEPHONE COOPERATIVE**

Horry Telephone Cooperative (“HTC”), by its counsel, hereby submits these brief comments in response to the Federal Communications Commission’s (“FCC” or the “Commission”) Public Notice pausing the 180-day transaction shot clock in this proceeding and allowing additional comment.<sup>1</sup> HTC opposes the proposed transaction (“Transaction”) between Tribune Media Company (“Tribune”) and Sinclair Broadcasting Group, Inc. (“Sinclair,” together with Tribune, the “Parties”) and supports calls by the American Cable Association,<sup>2</sup> the Competitive Carriers Association<sup>3</sup> and NTCA – The Rural Broadband Association<sup>4</sup> to deny the Transaction. However, should the Commission approve the Transaction, it should condition such approval on a freeze of increase in retransmission rates charged by the combined entity for

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<sup>1</sup> *Media Bureau Pauses 180-Day Transaction Shot Clock In the Proceeding for Transfer of Control of Tribune Media Company to Sinclair Broadcasting Group, Inc. to Allow for Additional Comment*, Public Notice, DA 17-1026 (rel. Oct. 18, 2017).

<sup>2</sup> Petition to Deny of American Cable Association, MB Docket No. 17-179 (filed Aug. 7, 2017).

<sup>3</sup> Petition to Deny of Competitive Carriers Association, MB Docket No. 17-179 (filed Aug. 7, 2017).

<sup>4</sup> Petition to Deny of NTCA – The Rural Broadband Association, MB Docket No. 17-179 (filed Aug. 7, 2017).

ten (10) years. HTC, a telephone cooperative and cable provider to rural residents of Horry County, S.C., is concerned that the combined entity will result in inflated and potentially unaffordable retransmission rates, to the detriment of HTC's members and customers. The Transaction will result in even less competition in an already over-consolidated market. Additionally, the Parties have failed to show any real public interest benefit.

In HTC's experience, dealing with larger broadcasters over retransmission rates has meant less ability to negotiate and much higher retransmission rates. HTC has already encountered high retransmission rates and 'take it or leave it' type negotiations specifically from Sinclair.<sup>5</sup> For example, when Sinclair acquired the local ABC affiliate from Barrington, HTC saw a very significant increase in its retransmission fees. HTC was, and in turn, HTC's customers were,<sup>6</sup> forced to accept the rate increase or risk removing an over-the-air channel from its cable lineup.<sup>7</sup> With the combined market power of Tribune, Sinclair will have the ability to even further raise its already inflated retransmission rates. Should this Transaction be approved, the combined company's market power will have a direct negative impact on rural cable customers.

In their responses to the Media Bureau's September 14, 2017 Information Request,<sup>8</sup> the Parties tout economies of scales as a public interest benefit to the Transaction, claiming it will

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<sup>5</sup> Sinclair's negotiations arguably do not meet the good faith standards required under Section 76.65 of the Commission's Rules.

<sup>6</sup> HTC is forced to pass on these retransmission rates to its customers.

<sup>7</sup> For many rural costumers, channels like ABC are vital to receiving important public safety warnings.

<sup>8</sup> Request for Information from Sinclair and Tribune, Media Bureau, Federal Communications Commission, MB Docket No. 17-179 (Sep. 14, 2017).

enable Sinclair to produce more original content<sup>9</sup> and make it “feasible for the company to expand and improve local news programming.”<sup>10</sup> The Parties also predict that their combined commitment to ATSC 3.0 will incentivize manufacturers to develop products incorporating the standard.<sup>11</sup> However, original content (which would be produced and owned by Sinclair) and adoption of the ATSC 3.0 (when Sinclair owns Dielectric, an ATSC 3.0 ready antenna) would benefit only Sinclair, not the public or individual consumer. It has also been HTC’s experience that as broadcasters become larger, national companies, local programming disappears. Moreover, such benefits are minimal and would not outweigh the potential public interest harm. As indicated above, this Transaction would result in increased retransmission rates to cable operators, especially rural, independently owned cable operators, and thereby higher costs to the consumer. If the Transaction is approved, the FCC should bar the combined Sinclair-Tribune entity from increasing its retransmission rates to independent cable companies in predominately rural areas that serve under 250,000 subscribers for a period of ten (10) years.<sup>12</sup> In addition, in markets in which the combined company holds one or more broadcast channels, the Commission should allow cable operators to negotiate with broadcasters outside of their DMA.

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<sup>9</sup> Responses of Sinclair Broadcast Group, Inc. to FCC Request for Information, MB Docket No. 17-179 (filed Oct. 5, 2017), 12-13.

<sup>10</sup> *Id.* at 9-10.

<sup>11</sup> *Id.* at 16.

<sup>12</sup> This condition is consistent with the merger condition proposed by Pine Belt Communications. *See Ex Parte Notification of Pine Belt Communications*, MB Docket No. 17-179, *et. al.* (filed Oct. 30, 2017).

For the foregoing reasons, HTC requests that the Commission deny the Parties' application for transfer of control or impose conditions on the ability of the combined company to increase retransmission rates.

Respectfully Submitted,



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