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December 5, 2017

VIA ELECTRONIC FILING

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Notice of *Ex Parte* Communication, MB Docket No. 17-179, *Applications of Tribune Media Company and Sinclair Broadcast Group, Inc. for Consent to Transfer Control of Licenses and Authorizations* (FCC File No. BTCCDT-20170626AGH, et seq.) (Diversification of Ownership and Advancing Minority Ownership)

Dear Ms. Dortch:

Armstrong Williams, the sole owner of Howard Stirk Holdings, LLC and Howard Stirk Holdings II, LLC (together "HSH"), and HSH's wholly owned, sole member, African American owned companies which hold the licenses for seven television stations,[1] hereby voices strong support for the advancement of minority ownership and diversity.

Specifically, HSH believes the pending Tribune-Sinclair merger presents an historic opportunity to advance minority ownership and diversity within the context of any divestiture requirement that may ultimately be required for approval by the Commission, or the United States Department of Justice (DOJ) pursuant to its anti-trust analysis. It is critically important, however, that the Commission appreciate this unique opportunity and make clear that it would expeditiously review for approval any spin-off assignment to a minority owned entity where the transaction complies with its rules, including those that again involve joint sales agreements,

[1] HSH's sole member companies hold the following licenses: WEYI-TV, Saginaw, MI; WWMB-TV, Florence, SC; WXBU(TV), Lancaster, PA; WSES(TV), Tuscaloosa, AL; WGWW(TV), Anniston, AL; KHSV(TV), Las Vegas, NV; and WGWG(TV), Charleston, SC.

shared service agreements, and loan guarantee agreements.[2] This was the case before the Commission hastily implemented its television Joint Sale Agreement attribution rule in 2014, which it just reversed and eliminated on November 20, 2017.[3] HSH believes this reinstatement will uniquely help minority owners. For example, when these rules were previously in place in 2013, HSH's Saginaw (Flint) and Florence (Myrtle Beach) stations, which at the time represented two of only three television stations licensed to African American owned companies in the United States, used JSAs and Shared Services Agreements. If HSH had not had the opportunity to enter into JSAs and SSAs, as an African American, Mr. Williams would not have been able to fulfill his lifelong dream of being a TV station owner. HSH's SSAs allowed him to obtain access to capital that would have otherwise been unavailable to him, and that access to capital and financing are the single biggest obstacles to new entrant and minority ownership. In HSH's experience, shared service arrangements provided the means over that obstacle, and accordingly advanced diversity, opened opportunity, and generally served the larger public interest.

Additionally, HSH employs a diverse and multiracial workforce. In fact, over fifty percent of its employees are minorities. The company boasts diversity from entry-level positions to upper-level management positions. Minorities are employed as station general managers, directors of operations and creative directors. None of these important advancements would have been possible without the opportunities afforded with the use of JSAs and SSAs.

The Commission has acknowledged the need to enhance minority ownership for forty years. E.g., *Statement of Policy on Minority Ownership of Broadcast Facilities, Public Notice*, 68 FCC 2d 979 (1978). Congress also has recognized the poor state of minority ownership. The Telecommunications Act of 1996 contains language aimed at increasing female and minority ownership of broadcast licenses and other important communications mediums. 47 U.S.C. §257, §309(j) The Act requires the Commission to limit and remove "market entry barriers for entrepreneurs and other small businesses" and to do so by "favoring diversity of media voices."[4]

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[2] See, e.g., *Malara Broadcast Group*, 19 FCC Rcd 24070 (MB 2004), *Piedmont Television of Springfield License LLC*, 22 FCC Rcd 13910 (MB 2007); *Nexstar Broadcasting, Inc*. 23 FCC Rcd 3528 (MB 2008); *SagamoreHill of Corpus Christi Licenses, LLC*, 25 FCC Rcd 2809 (MB 2010).

[3] *Rules and Policies Concerning Attribution of Joint Sales Agreements in Local Television Markets (Reconsideration),* FCC 17-156, released November 20, 2017 (herein "*TV JSA Recon Order*") (http://transition.fcc.gov/Daily_Releases/Daily_Business/2017/db1120/FCC-17-156A1.pdf).

[4] While Section 257 is contained within Title II of the Communications Act and thus does not directly encompass broadcast services, the Commission has interpreted some aspects of the language of §257 to apply to broadcast licensing. In 1998, the Commission stated: "While telecommunications and information services are not defined by the 1996 Act to encompass broadcasting, Section 257(b) directs the Commission to 'promote the policies and

The potential for finally, after so many decades, making genuine progress in advancing minority ownership in the context of any station spinoff and divestiture sale which may come out of the Tribune-Sinclair merger creates a special obligation on the Commission (and DOJ).

In its *TV JSA Recon Oder* (at ¶ 101), the Commission reinstated the position it had maintained for nearly twenty years prior, holding there was no adequate record to conclude that television JSAs confer on the brokering station a sufficient degree of influence or control over the core operating functions of the brokered station to warrant attribution. Moreover, the Commission noted that the record on television JSAs contained ample evidence of the public interest benefits they provide, and even if the Commission had correctly determined that television JSAs involving more than 15 percent of the brokered station's weekly advertising time confer sufficient influence to warrant attribution, it nevertheless concluded that the potential benefits of television JSAs outweigh the public interest in attributing such JSAs (*supra.).*

These are significant holdings. In the context of the Tribune-Sinclair merger and any required station spinoffs, HSH believes the public would again, as HSH did in 2013, by allowing minority ownership to be improved by using JSAs, SSAs, and financial guarantees. The Commission should do all it can to insure that happens and remove any impediments which might derail this historic opportunity.

Respectfully submitted,

Colby M. May

xc: Chairman Ajit Pai
Commissioner Michael O'Rielly
Commissioner Brandon Carr
Commissioner Mignon Clyburn
Commissioner Jessica Rosenworcel

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purposes of this Act favoring diversity of media voices' in carrying out its responsibilities under Section 257 and, in its Policy Statement implementing Section 257, the Commission discussed market entry barriers in the mass media services." See FCC 98-281, *Report and Order: In the Matter of 1998 Biennial Regulatory Review -- Streamlining of Mass Media Applications Rules, and Processes -- Policies and Rules Regarding Minority and Female Ownership of Mass Media Facilities*, MM Docket No. 98-43, November 25, 1998.