

November 6, 2007



Chairman Kevin J. Martin  
Commissioner Michael J. Copps  
Commissioner Jonathan S. Adelstein  
Commissioner Deborah Taylor Tate  
Commissioner Robert M. McDowell  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

RE: Docket 07-119  
Samuel Zell/Tribune Company

Dear Mr. Chairman and Commissioners:

I write to seek confirmation that no member of the Commission or its staff has received any oral or written *ex parte* communications from the applicants in the above-captioned case pertaining to the need for Commission action by a date certain.

The attached article from the November 3, 2007 issue of the *Financial Times* is but one of several similar reports in the mass media. It states that "Tribune has warned the FCC that the take-over is at risk of collapsing if it does not receive regulatory clearance in the next two weeks."

However, if such communications did take place, they should have been disclosed. However, there is no notice or other written filing on the record in this proceeding indicating that any such communication has taken place. Other than these press reports, my clients have no reason to believe that the applicants have communicated such information to any decisionmaking personnel at the Commission.

I note that the transaction in question has been treated by the Commission as a "permit but disclose" proceeding. Thus, pursuant to 47 CFR §1.1206, any communications of the kind described in these reports would be subject to disclosure. See 47 CFR §1.1202(a) (defining *ex parte* presentations as including those "which state[] why timing is important to a particular party or indicates a view as to the date by which a proceeding should be resolved,...")

Because of the uncertainty created by these press reports and the importance of the matter, I do wish to seek confirmation from you and the Commission staff as to whether such information has in fact been transmitted to the Commission.

Respectfully submitted,

Andrew Jay Schwartzman  
Counsel to Petitioners UCC and Media Alliance

cc. via email Media Bureau Chief Monica Desai  
General Counsel Sam Feder  
Deputy General Counsel Matthew Berry  
R. Clark Wadlow

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## Stand-off threatens Tribune deal

By Stephanie Kirchgaessner in Washington

**Financial Times**

updated 5:43 a.m. ET, Sat., Nov. 3, 2007

Tribune Company and the chairman of the Federal Communications Commission are locking horns over the proposed \$8.2bn buy-out of the media group by Sam Zell, the real estate entrepreneur, in a stand-off that threatens to derail the deal.

Tribune has warned the FCC that the takeover is at risk of collapsing if it does not receive regulatory clearance in the next two weeks.

But Kevin Martin, the Republican chairman of the commission, in private conversations, has said he is unwilling to address the matter before December 18, the date he has set for a vote on industry-wide changes to media ownership rules.

If the buy-out fails to close by the end of the year, the newspaper publisher's new owners will not be able to register the company for tax-exempt status next year, a crucial element of the deal.

The price of the \$34-a-share offer will also increase because of additional payments based on an 8 per cent interest rate, which would take effect after January 1.

Tribune says it needs at least 20 days between receiving FCC approval and closing the deal. But Mr Martin is sceptical about Tribune's assertions.

Shaun Sheehan, Tribune's vice-president and a lobbyist in Washington, says: "We're hopeful but we're running out of time."

In order to close the transaction in time, Tribune, publisher of the Los Angeles Times, needs the commission to grant its new owner temporary waivers that will allow it to bypass media ownership restrictions.

Without the waivers, the new owners would be in violation of rules that forbid any single company from owning both a newspaper and broadcaster in the same market. Mr Martin has so far refused to bring the deal up for a vote although he has the necessary support of his two Republican colleagues.

Instead, in a move that some say reflects Mr Martin's reputation for being a calculating political operator, the commission chairman is pressing forward the broader media ownership overhaul.

People close to the FCC say they believe Mr Martin is holding up the Tribune deal for political reasons.

The transaction has won the backing of a handful of Democrats and they say Mr Martin believes delaying the deal will divide the Democrats and prevent them mobilising against the December 18 vote on media ownership, which would negate the need for a separate Tribune waiver.

Mr Sheehan said: "The Democratic majority is butting up against the regulatory objectives of the Republican chairman of the FCC. My very real concern is [Tribune] being thrown overboard in that very macho stare-down."

Mr Martin's office declined to comment.

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