

technological changes, these efforts have not always been successful. In the future, the Debtors' ability to profitably grow their business will depend upon their ability to adapt to future technological innovation. No assurance can be given that the Debtors will be successful in this regard.

11. Historical Financial Information Will Not be Comparable.

As a result of the consummation of the Plan and the transactions contemplated thereby, the Debtors will be operating their current businesses under a new capital structure and will be subject to the fresh start accounting rules. Accordingly, the Debtors' financial condition and results of operations from and after the Effective Date will not be comparable to the financial condition or results of operations reflected in the Debtors' historical financial statements.

12. The Debtors May be Required to Write Down Goodwill or Other Intangible Assets Which May Adversely Affect Their Financial Position and Results of Operations.

The Debtors review goodwill and other indefinite-lived intangible assets for impairment annually, or more frequently if events or changes in circumstances indicate that an asset may be impaired, in accordance with Accounting Standards Codification Topic 350, "Intangibles – Goodwill and Other."

To perform the annual impairment review, the Debtors estimate the fair values of their reporting units to which goodwill has been allocated using many critical factors, including projected future revenue, operating cash flows, and market growth, market multiples, discount rates and consideration of market valuations of comparable companies. The estimated fair values of other intangible assets subject to the annual impairment review, which include newspaper mastheads and FCC licenses, are generally calculated based on projected future discounted cash flow analyses. Adverse changes in expected results of operations and/or unfavorable changes in other economic factors used to estimate fair values, including market multiples and discount rates, could result in non-cash impairment charges in the future, which may have a material adverse effect on the consolidated statements of operations.

13. Events Beyond the Debtors' Control May Result in Unexpected Adverse Operating Results.

The Debtors' results of operations could be affected in various ways by global or domestic events beyond the Debtors' control, such as wars, political unrest, acts of terrorism, and natural disasters. Such events can quickly result in significant declines in advertising revenues and significant increases in newsgathering costs. Coverage of the war in Iraq and Hurricane Katrina are two examples where newsgathering costs increased and, in the case of Hurricane Katrina, revenues dropped off significantly at the Debtors' two New Orleans television stations.

14. Changes in Accounting Standards Can Significantly Impact the Debtors' Reported Earnings and Operating Results.

Generally accepted accounting principles and accompanying pronouncements and implementation guidelines (collectively, "GAAP") for many aspects of the Debtors' businesses, including those related to intangible assets, pensions, employee stock ownership plans, income taxes, derivatives, equity-based compensation and broadcast rights, are complex and involve significant judgments. Changes in these rules or their interpretation could significantly change the Debtors' reported earnings and operating results.

15. Adverse Results from Litigation or Governmental Investigations can Impact the Debtors' Business Practices and Operating Results.

From time to time, the Debtors are parties to litigation and regulatory, environmental and other proceedings with governmental authorities and administrative agencies. Adverse outcomes in lawsuits or investigations could result in significant monetary damages, fines, penalties, or injunctive relief that could

adversely affect the Debtors' operating results or financial condition as well as the Debtors' ability to conduct their businesses as they are presently being conducted.

16. The Debtors Could be faced with Additional Tax Liabilities.

The Debtors are subject to federal and state income taxes and are regularly audited by federal and state taxing authorities. In the years currently under audit, or eligible for future audit, the Debtors consummated certain significant business transactions that they treated or intend to treat as not resulting in gain for income tax purposes but as resulting in gain or loss for financial accounting purposes. In addition, the Debtors treated or intend to treat significant amounts of income as not subject to tax because of the Debtors' status as an S corporation. Significant judgment is required in evaluating the Debtors' tax positions and in establishing appropriate reserves. The Debtors analyze their tax positions and reserves on an ongoing basis and make adjustments when warranted based on changes in facts and circumstances. The resolutions of the Debtors' tax positions are unpredictable and could result in tax liabilities and associated cash payments that are significantly higher or lower than that which has been provided for by the Debtors. In addition, a change in the tax laws of the United States and adjustments to tax positions as a result of audits could materially affect the consequences of the Plan to the Debtors and/or their stockholders.

17. The Debtors' Company-Sponsored Pension Plans are Currently Underfunded, and Over Time the Debtors Will Likely be Required to Make Cash Contributions to the Plans, Reducing the Cash Available for Working Capital and Other Corporate Uses.

The Debtors provide pension benefits to eligible employees under certain company-sponsored defined benefits pension plans. In 2008, the market value of the Debtors' pension plan assets declined significantly due to negative investment returns. As a result, in accordance with GAAP (Accounting Standards Codification Topic 715, "Compensation Retirement Benefits"), the Debtors' recognized a net pension obligation for the underfunded status of its company-sponsored pension plans at the end of 2008. In 2009, the net pension obligation declined slightly due to an increase in pension assets resulting from investment returns but that increase was largely offset by higher liabilities due to a lower discount rate and other factors.

Cash Funding requirements are not driven directly by the GAAP underfunded position, but by the Pension Protection Act ("PPA"), which uses a different method to calculate the underfunded amount, as described in Article IV.C. Using the PPA methodology and based on various assumptions, the Debtors project that significant cash contributions will be required in the future. Actual Cash Funding may be more or less than these projections. For example, if PPA discount rates remain low and/or investment returns are below expectations, then without legislative relief the projected contributions may be higher than currently anticipated. As a result, the Debtors may have less cash available for working capital and other corporate uses, which may have an adverse impact on the Debtors' operations, financial condition and liquidity.

In addition, the Debtors participate in multiemployer pension plans on behalf of employees represented by certain unions. Contributions to these multiemployer pension plans could increase as a result of future collective bargaining, funding deficiencies or other factors. The Debtors' obligations to make contributions to their pension plans and multiemployer pension plans in which they participate would reduce the cash available for working capital and other corporate uses and may have a material adverse impact on the Debtors' operations, financial condition and liquidity.

18. Labor Strikes, Lock-Outs and Protracted Negotiations can Lead to Business Interruptions and Increased Operating Costs.

As of December 31, 2009, union employees comprise about fifteen percent (15%) of the Debtors' workforce. The Debtors are required to negotiate collective bargaining agreements across their respective business units on an ongoing basis. Complications in labor negotiations can lead to work slowdowns or other business interruptions and greater overall employee costs.

19. Acquisitions, Investments and Dispositions Pose Inherent Financial and Other Risks and Challenges.

The Debtors continuously evaluate their businesses and make strategic acquisitions, dispositions, and investments. These transactions involve challenges and risks in negotiation, execution, valuation and integration. There can be no assurance that any such transaction can be completed. Moreover, competition for certain types of acquisitions and investments is significant. Even if successfully negotiated, closed and integrated, certain acquisitions or investments may prove not to advance the Debtors' businesses strategy and may fall short of expected return on investment targets. In certain of the Debtors' investments, the Debtors have taken or may take a minority position in a company with limited voting rights and an inability to exert absolute control over the entity.

20. The Reorganized Debtors May Continue to Have Substantial Indebtedness.

The Reorganized Debtors may continue to have substantial indebtedness following the Effective Date, which may include a New Senior Secured Term Loan in an aggregate principal amount of up to two times the Debtors' trailing twelve month EBITDA (as defined in the New Senior Secured Term Loan Agreement) as of the end of the fiscal quarter most recently ended prior to the Effective Date. For purposes of the Financial Projections, the aggregate principal amount of the New Senior Secured Term Loan is assumed to be \$900 million. While the Reorganized Debtors' management believes that future operating cash flow, together with financing arrangements, will be sufficient to finance operating requirements under the Reorganized Debtors' business plan, the Reorganized Debtors' leverage and debt service requirements could make it more vulnerable to economic downturns in the markets the Reorganized Debtors serve or in the economy generally.

The degree to which the Reorganized Debtors will be indebted could have important consequences because it may:

- require the Reorganized Debtors to dedicate a substantial portion of their cash flows to the payment of principal and interest on their debt which will reduce the funds available for other purposes;
- limit the Reorganized Debtors liquidity and operational flexibility and their ability to respond to the challenging general and industry-specific economic and business conditions that currently exist or that the Reorganized Debtors may face in the future;
- require the Reorganized Debtors in the future to defer planned capital expenditures, further reduce the size of the Reorganized Debtors' workforce, reduce discretionary spending, dispose of assets or forgo acquisitions or other strategic opportunities, any of which decisions may affect the Reorganized Debtors' revenues and place them at a competitive disadvantage compared to their competitors with less debt or with comparable debt at more favorable interest rates and who, as a result, may be better positioned to withstand economic downturns or pursue key acquisitions or other strategic opportunities;
- limit the Reorganized Debtors' ability to obtain additional financing in the future;
- expose the Reorganized Debtors to increased interest rate risk because a substantial portion of the Reorganized Debtors' debt obligations may be at variable interest rates; and
- place the Reorganized Debtors at a competitive disadvantage because they may be more highly leveraged than some of their competitors.

In addition, any new financing facility that the Reorganized Debtors may enter into as of the Effective Date pursuant to the Plan will likely contain covenants that impose operating and financial restrictions on the Reorganized Debtors. These covenants could adversely affect the Reorganized Debtors' ability to finance future operations, potential acquisitions or capital needs or to engage in business activities that may be in their interest, including implementing the Reorganized Debtors' Plan.

D. Risks to Creditors Who Will Receive Securities

The ultimate recoveries under the Plan to Holders of Claims that receive shares of New Common Stock or New Warrants to purchase shares of New Common Stock pursuant to the Plan will depend on the realizable value of the shares of New Common Stock. Shares of New Common Stock are subject to a number of material risks, including, but not limited to, those specified below. Prior to voting on the Plan, each Holder of Claims that are to be satisfied in whole or part through a distribution of New Common Stock should carefully consider the risk factors specified or referred to below, as well as all of the information contained in the Plan.

1. The Lack of an Established Market for the Securities May Adversely Affect the Liquidity of the New Common Stock and the New Warrants.

No established market exists for the New Common Stock or New Warrants and there can be no assurance that an active market for the shares of the New Common Stock or New Warrants will develop, nor can any assurance be given as to the prices at which such securities might be traded. Although Reorganized Tribune will use its reasonable best efforts to list, as promptly as practicable after the Effective Date, the New Class A Common Stock for trading on the NYSE or for quotation in the NASDAQ stock market, there can be no assurance that the listing or quotation of the New Class A Common Stock will be accepted or that an active or liquid trading market will develop for the New Class A Common Stock. If a trading market does not develop or is not maintained, holders of shares of the New Common Stock and New Warrants may experience difficulty in reselling such securities or may be unable to sell them at all. Even if such market were to exist, such securities could trade at prices higher or lower than the value attributed to such securities in connection with their distribution under the Plan, depending upon many factors, including, without limitation, markets for similar securities, industry conditions, the Reorganized Debtors' performance and investor expectations thereof. In addition, some persons who receive shares of the New Common Stock and/or the New Warrants may prefer to liquidate their investment in the near term rather than hold such securities on a long-term basis. Accordingly, any market for such securities may be volatile, at least for an initial period following the Effective Date, and may be depressed until the market has had time to absorb any such sales and to observe the Reorganized Debtors' performance.

2. Lack of Dividends May Adversely Affect Liquidity of the New Common Stock.

The Debtors do not anticipate that cash dividends or other distributions will be made with respect to the New Common Stock in the foreseeable future. In addition, covenants in certain debt instruments to which the Reorganized Debtors will be a party may restrict their ability to pay dividends and make certain other payments. Further, such restrictions on dividends may have an adverse impact on the market demand for the New Common Stock as certain institutional investors may invest only in dividend-paying equity securities or may operate under other restrictions that may prohibit or limit their ability to invest in the securities issued pursuant to the Plan.

3. Future Sales or Issuances of Equity, Including Issuances in Respect of New Warrants to Purchase New Class A Common Stock, May Depress the Stock Price of the New Common Stock.

If holders of New Common Stock sell substantial amounts of New Common Stock or Reorganized Tribune issues substantial additional amounts of its equity securities, or there is a belief that such sales or issuances could occur, the market price of the New Common Stock could decline significantly. Reorganized Tribune may issue New Warrants to purchase shares of New Class A Common Stock in certain circumstances. If Holders who receive New Warrants in connection with the implementation of the Plan exercise such warrants and purchase a significant number of shares of New Class A Common Stock, the market price of the New Class A Common Stock may be adversely affected. In addition, any new issuances

of equity securities by Reorganized Tribune including as a result of warrant exercises, may be dilutive to existing stockholders of Reorganized Tribune.

4. The Limited Voting Rights of the New Class B Common Stock and the Lack of Voting Rights of the New Warrants Could Impact their Attractiveness to Investors and, as a Result, their Market Value.

In certain circumstances, Reorganized Tribune may issue shares of New Class B Common Stock and/or New Warrants. The New Class A Common Stock and New Class B Common Stock generally provide identical economic rights, but holders of the New Class B Common Stock have limited voting rights, including that such holders have no right to vote in the election of directors. The holders of the New Warrants have no voting rights. The difference in voting rights of the New Class A Common Stock on the one hand, and New Class B Common Stock and New Warrants on the other hand, could diminish the value of the New Class B Common Stock and the New Warrants to the extent that investors or potential future purchasers of the New Class B Common Stock or the New Warrants ascribe value to the superior voting rights of the New Class A Common Stock. The Certificate of Incorporation of Reorganized Tribune, which will be filed with the Plan Supplement as Exhibit 5.3.2.1 to the Plan, contains more information about the rights and limitations associated with the New Class B Common Stock. In addition, the New Warrant Agreement, which will be filed with the Plan Supplement as Exhibit 1.1.123 to the Plan, contains more information about the rights and limitations associated with the New Warrants.

5. Certain Holders May be Restricted in Their Ability to Transfer or Sell Their Securities.

To the extent that New Common Stock, New Warrants or any other securities are issued under the Plan and are covered by section 1145(a)(1) of the Bankruptcy Code, they may be resold by the holders thereof without registration unless the holder is an “underwriter” with respect to such securities. Resales by Persons who receive New Common Stock or New Warrants pursuant to the Plan that are deemed to be “underwriters” as defined in section 1145(b) of the Bankruptcy Code would not be exempted by section 1145 of the Bankruptcy Code from registration under the Securities Act or other applicable law. Such Persons would be permitted to sell such New Common Stock or New Warrants without registration if they are able to comply with the provisions of rule 144 under the Securities Act.

Reorganized Tribune will use its reasonable best efforts to list, as promptly as practicable after the Effective Date, the New Class A Common Stock for trading on the NYSE or for quotation in the NASDAQ stock market but will have no liability if it is unable to do so. As noted above (see “Lack of an Established Market for the Securities May Adversely Affect the Liquidity of the New Common Stock and the New Warrants”), there can be no assurance that the listing or quotation of the New Class A Common Stock will be accepted or that an active or liquid trading market will develop for the New Class A Common Stock. Efforts to list the New Class A Common Stock, if successful, would include registering the New Class A Common Stock under the Exchange Act. Registration under the Exchange Act is a separate process from registration under the Securities Act and would not be sufficient to permit resales by persons who receive New Common Stock or New Warrants pursuant to the Plan and who are deemed to be “underwriters” as defined in section 1145(b) of the Bankruptcy Code. Reorganized Tribune has no current plans to register the New Class B Common Stock on the NYSE or for quotation on the NASDAQ Stock Market or to register the New Class B Common Stock or New Warrants under the Securities Act, the Exchange Act or under equivalent state securities laws such that the recipients of the New Class B Common Stock or New Warrants would be able to resell their securities pursuant to an effective registration statement.

The Certificate of Incorporation contains restrictions on stockholders’ ability to transfer New Common Stock and New Warrants designed to ensure compliance with the FCC broadcast multiple ownership and cross-ownership rules and the limitations on foreign ownership or control of FCC broadcast licenses imposed by the Communications Act. Furthermore, certificates for shares of New Common Stock

and certificates for New Warrants may bear a legend restricting the sale, transfer, assignment, conversion or other disposal of such securities.

XV. CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

The following discussion is a summary of certain U.S. federal income tax aspects of the Plan, is for general information purposes only, and should not be relied upon for purposes of determining the specific tax consequences of the Plan with respect to a particular holder of a Claim or Interest. This discussion does not purport to be a complete analysis or listing of all potential tax considerations.

This discussion is based on existing provisions of the Internal Revenue Code of 1986, as amended (the “**IRC**”), existing and proposed Treasury Regulations promulgated thereunder, and current administrative rulings and court decisions. Legislative, judicial, or administrative changes or interpretations enacted or promulgated after the date hereof could alter or modify the analyses set forth below with respect to the U.S. federal income tax consequences of the Plan. Any such changes or interpretations may be retroactive and could significantly affect the U.S. federal income tax consequences of the Plan. No representations or assurances are being made to the Holders of Claims or Interests with respect to the U.S. federal income tax consequences described in the Plan.

* * * *

Any discussion of U.S. federal tax issues set forth in this Disclosure Statement was written solely in connection with the confirmation of the Plan to which the transactions described in this Disclosure Statement are ancillary. Such discussion is not intended or written to be legal or tax advice to any person and is not intended or written to be used, and cannot be used, by any person for the purpose of avoiding any U.S. federal tax penalties that may be imposed on such person. Each holder of a Claim or Interest should seek advice based on its particular circumstances from an independent tax advisor.

* * * *

A. Federal Income Tax Consequences to the Debtors.

1. Termination of Subchapter S Corporation Status.

On March 13, 2008, Tribune filed an election to be treated as a subchapter S corporation under the IRC, which election became effective as of the beginning of its 2008 fiscal year. Tribune also elected to treat nearly all of its subsidiaries as qualified subchapter S subsidiaries. Subject to certain limitations (such as the built-in gains tax applicable to Tribune’s net unrealized gains as of the beginning of the 2008 fiscal year that are recognized in the subsequent ten taxable years), Tribune and its qualified subchapter S subsidiaries are not currently subject to corporate level federal income tax. Instead, the income of Tribune and such subsidiaries is required to be reported by its stockholders. The ESOP, which, as of the Petition Date, was the sole stockholder of Tribune, does not pay taxes on the income that is passed through to it because the ESOP is an employee benefit plan that qualifies for favorable tax treatment under Section 401(a) of the IRC. Although most states in which Tribune and its subsidiaries operate recognize the subchapter S corporation status, some impose taxes at a reduced rate.

As a result of the implementation of the Plan, Tribune will no longer be eligible to be treated as a subchapter S corporation beginning on the Effective Date. Accordingly, Reorganized Tribune and its subsidiaries will be subject to entity-level tax on all of their income and gains beginning on the Effective Date at corporate income tax rates. As described below, Reorganized Tribune is expected to have limited tax attributes available to offset such income and gains.

2. Cancellation of Debt and Reduction of Tax Attributes.

A debtor generally must recognize income from the cancellation of debt (“COD Income”) to the extent that its debt is discharged for consideration less than the amount of such debt. For these purposes, consideration includes the amount of cash and the fair market value of property, including stock of the debtor. COD Income is not required to be included in taxable income, however, if the debtor is in bankruptcy (the “Bankruptcy Exception”). Instead, the debtor is required to reduce certain of its tax attributes by the amount of excluded COD Income, generally in the following order: net operating losses (“NOLs”), general business credit carryforwards, minimum tax credit carryforwards, capital loss carryforwards, the tax basis of the debtor’s assets, passive activity loss or credit carryovers, and, finally, foreign tax credit tax carryforwards (collectively, “Tax Attributes”). Generally, the reduction in the tax basis of assets cannot exceed the excess of the total bases of the debtor’s property held immediately after the debt discharge over the total liabilities of the debtor immediately after the discharge (the “Liability Floor Rule”).

The Debtors expect to realize substantial COD Income as a result of the implementation of the Plan. The precise amount of COD Income will depend on, among other things, the fair market value of the New Common Stock and New Warrants, which cannot be known with certainty until after the Effective Date. Pursuant to the Bankruptcy Exception, this COD Income will not be included in the Debtors’ taxable income, but they will have to reduce their Tax Attributes after calculating the tax for the taxable year of discharge.

As a subchapter S corporation, Tribune does not currently have any NOLs or other significant Tax Attributes other than tax basis in assets. Although the projected COD Income is expected to exceed the Debtors’ aggregate tax basis in assets, under the Liability Floor Rule the Debtors’ will not be required to reduce such basis below their total liabilities after the discharge.

B. Federal Income Tax Consequences to Holders of Claims and Interests.

The U.S. federal income tax consequences of the transactions contemplated by the Plan to Holders of Claims and Interests that are United States Persons will depend upon a number of factors. For purposes of the following discussion, a “United States Person” is any individual who is a citizen or resident of the United States, or any entity (i) that is a corporation (or entity treated as a corporation) created or organized in or under the laws of the United States or any state thereof, (ii) that is an estate, the income of which is subject to U.S. federal income taxation regardless of its source or (iii) that is a trust (a) the administration over which a United States person can exercise primary supervision and all of the substantial decisions of which one or more United States persons have the authority to control; or (b) that has elected to continue to be treated as a United States Person for U.S. federal income tax purposes. In the case of a partnership, the U.S. federal income tax treatment of its partners will depend on the status of the partner and the activities of the partnership. A “Non-United States Person” is any person or entity (other than a partnership) that is not a United States Person. For purposes of the following discussion and unless otherwise noted below, the term “U.S. Holder” means a beneficial owner of a Claim or Interest that is a United States Person. The general U.S. federal income tax consequences to Holders of Claims or Interests that are Non-United States Persons are discussed below under Article XVI.B.14 of this Disclosure Statement.

The U.S. federal income tax consequences to U.S. Holders of Claims and the character and amount of income, gain or loss recognized as a consequence of the Plan and the distributions provided for thereby will depend upon, among other things, (i) the manner in which a U.S. Holder acquired a Claim; (ii) the length of time the Claim has been held; (iii) whether the Claim was acquired at a discount; (iv) whether the U.S. Holder has taken a bad debt deduction with respect to the Claim (or any portion thereof) in the current or prior years; (v) whether the U.S. Holder has previously included in income accrued but unpaid interest with respect to the Claim; (vi) the method of tax accounting of the U.S. Holder; (vii) whether the Claim is an installment obligation for U.S. federal income tax purposes; and (viii) whether the Claim is a capital asset in the hands of the U.S. Holder. Certain holders of Claims or Interests (such as foreign persons, subchapter S corporations, regulated investment companies, insurance companies, financial institutions, small business investment companies, broker-dealers and tax-exempt organizations) may be subject to special rules not addressed in this summary. In addition, this summary does not discuss consequences to holders of the Barclays Swap Claim.

There also may be state, local, and/or non-U.S. income or other tax considerations or U.S. federal estate and gift tax considerations applicable to holders of Claims or Interests that are not addressed in this discussion.

EACH U.S. HOLDER OF A CLAIM OR INTEREST AFFECTED BY THE PLAN IS STRONGLY URGED TO CONSULT ITS OWN TAX ADVISORS REGARDING THE SPECIFIC TAX CONSEQUENCES OF THE TRANSACTIONS DESCRIBED HEREIN AND IN THE PLAN.

1. General.

A U.S. Holder of a Claim may recognize ordinary income or loss with respect to any portion of its Claim attributable to accrued but unpaid interest. A U.S. Holder who did not previously include in income accrued but unpaid interest attributable to its Claim, and who receives a distribution on account of its Claim pursuant to the Plan, will be treated as having received interest income to the extent that any consideration received is characterized for U.S. federal income tax purposes as a payment of interest, regardless of whether such U.S. Holder realizes an overall gain or loss as a result of surrendering its Claim. In general, a U.S. Holder that previously included in its income accrued but unpaid interest attributable to its Claim will recognize an ordinary loss to the extent that such accrued but unpaid interest is not satisfied, regardless of whether such U.S. Holder realizes an overall gain or loss as a result of the distribution it may receive under the Plan on account of its Claim. Although the manner in which consideration is to be allocated between accrued interest and principal for these purposes is unclear under present law, the Debtors intend to allocate for U.S. federal income tax purposes the consideration paid pursuant to the Plan with respect to a Claim first to the principal amount of such Claim as determined for U.S. federal income tax purposes and then to accrued interest, if any, with respect to such Claim. Accordingly, in cases where a U.S. Holder receives consideration in an amount that is less than the principal amount of its Claim, the Debtors intend to allocate the full amount of consideration transferred to such U.S. Holder to the principal amount of such obligation and to take the position that no amount of the consideration to be received by such U.S. Holder is attributable to accrued interest. There is no assurance that such allocation will be respected by the IRS for U.S. federal income tax purposes.

A U.S. Holder that receives New Common Stock or New Warrants in exchange for its Claim will be required to treat gain recognized on a subsequent sale or other taxable disposition of such New Common Stock or New Warrants as ordinary income to the extent of (i) any bad debt deductions taken with respect to the Claim and any ordinary loss deductions incurred upon satisfaction of the Claim, less any income (other than interest income) recognized by the U.S. Holder upon satisfaction of its Claim, and (ii) any amounts which would have been included in the U.S. Holder's gross income if the U.S. Holder's Claim had been satisfied in full, but which were not included in income because of the application of the cash method of accounting.

Subject to the foregoing rules relating to accrued interest, gain or loss recognized for U.S. federal income tax purposes as a result of the consummation of the Plan by U.S. Holders of Claims or Interests that hold their Claims or Interests as capital assets generally will be treated as a gain or loss from the sale or exchange of such capital asset. Capital gain or loss will be long-term if the Claim or Interest was held by the U.S. Holder for more than one year and otherwise will be short-term. Any capital losses realized generally may be used by a corporate U.S. Holder only to offset capital gains, and by an individual U.S. Holder only to the extent of capital gains plus \$3,000 of other income.

2. Market Discount.

The market discount provisions of the IRC may apply to holders of certain Claims. In general, a debt obligation that is acquired by a holder in the secondary market is a "market discount bond" as to that holder if its stated redemption price at maturity (or, in the case of a debt obligation having original issue discount, its revised issue price) exceeds, by more than a statutory de minimis amount, the tax basis of the debt obligation in the holder's hands immediately after its acquisition (any such excess, "market discount"). In general, a market discount obligation is treated as having accrued market discount as of any date equal to the total

market discount multiplied by a fraction, the numerator of which is the number of days the holder has owned the market discount obligation and the denominator of which is the total number of days that remained until maturity at the time the holder acquired the market discount obligation. If a U.S. Holder has Claims with accrued market discount and such U.S. Holder realizes gain upon the exchange of its Claims for property pursuant to the Plan, such U.S. Holder may be required to include as ordinary income the amount of such accrued market discount to the extent of such realized gain. U.S. Holders who have Claims with accrued market discount should consult their tax advisors as to the application of the market discount rules to them in view of their particular circumstances. In particular, U.S. Holders of Claims that are “securities” for U.S. federal income tax purposes and that are exchanged for New Common Stock and, if applicable, New Warrants should consult their tax advisors regarding recognition of ordinary income upon a subsequent disposition of such New Common Stock or New Warrants. See “Definition of Security” below.

3. U.S. Holders of Loan Claims and Loan Guaranty Claims (not including the Barclays Swap Claim).

U.S. Holders of Allowed Loan Claims and Loan Guaranty Claims will receive New Common Stock (and in certain cases, New Warrants) and Cash, and may receive the New Senior Secured Term Loan, in exchange for their Claims. Each such U.S. Holder will realize gain or loss equal to the difference between the adjusted tax basis in its Claim surrendered in the exchange, determined immediately prior to the Effective Date, and the sum of (i) the fair market value of the New Common Stock and any New Warrants received, (ii) the Cash received, and (iii) the “issue price” of the New Senior Secured Term Loan, if received. See “Federal Income Tax Treatment of the New Senior Secured Term Loan,” below, for a discussion related to the determination of the issue price of the New Senior Secured Term Loan.

The tax consequences to a U.S. Holder of an Allowed Loan Claim and Loan Guaranty Claim depend on whether its Claim is a “security” for U.S. federal income tax purposes. The New Senior Secured Term Loan will likely not constitute a security for U.S. federal income tax purposes. See “Definition of ‘Security’” below. The remainder of this discussion assumes that the New Senior Secured Term Loan will not constitute a security for U.S. federal income tax purposes.

If the Claim does not constitute a security for U.S. federal income tax purposes, the exchange of the Claim for New Common Stock (and in certain cases, New Warrants), Cash and the New Senior Secured Term Loan, if received, will be a taxable transaction, and the U.S. Holder of such Claim will be required to recognize gain or loss equal to the full amount of its gain or loss realized on the exchange. In such a case, a U.S. Holder’s tax basis in the New Common Stock and any New Warrants received in the exchange will equal the fair market value of the New Common Stock and New Warrants on the date received. A U.S. Holder’s tax basis in the New Senior Secured Term Loan, if received, will equal the issue price of the New Senior Secured Term Loan. A U.S. Holder’s holding period in such assets will commence on the day after the date received. See “Federal Income Tax Treatment of the New Senior Secured Term Loan,” below, for a discussion related to the determination of the issue price of the New Senior Secured Term Loan.

If the Claim constitutes a security for U.S. federal income tax purposes, the exchange of such Claim will be treated as a recapitalization for U.S. federal income tax purposes. In such a case, a U.S. Holder of such Claim who realizes a loss on the exchange will not be permitted to recognize such loss, except to the extent of any loss attributable to accrued but unpaid interest with respect to such Claim. A U.S. Holder of such Claim who realizes gain on the exchange will be required to recognize the lesser of (i) the amount of gain realized on the exchange and (ii) the sum of the issue price of the New Senior Secured Term Loan, if received, and the amount of Cash received as part of the exchange. A U.S. Holder’s tax basis in the New Common Stock and any New Warrants received in exchange for its Claim will equal its adjusted tax basis in its Claim, increased by the amount of gain recognized on the exchange, if any, and reduced by the sum of (i) the fair market value of the New Senior Secured Term Loan, if received, and (ii) the amount of Cash received as part of the exchange. If a U.S. Holder receives both New Common Stock and New Warrants in exchange for its Claim, such basis will be allocated between the New Common Stock and the New Warrants in

proportion to their relative fair market values on the date received. A U.S. Holder's holding period in the New Common Stock and any New Warrants will include the holding period in its Claim surrendered. A U.S. Holder's tax basis in the New Senior Secured Term Loan, if received, will equal the issue price of the New Senior Secured Term Loan. A U.S. Holder's holding period in the New Senior Secured Term Loan, if received, will commence on the day after the date received.

Because a U.S. Holder's ultimate share of consideration based on its Allowed Loan Claim may not be determinable on the Effective Date due to the existence of Disputed Claims, such U.S. Holder should realize additional or offsetting gain due to the disallowance of a Disputed Claim if, and to the extent that, the aggregate amount of consideration ultimately received by a U.S. Holder is greater than the amount used in initially determining such U.S. Holder's gain or loss in accordance with the procedures described in the preceding paragraphs.

See "Federal Income Tax Treatment of New Senior Secured Term Loan," below, for a discussion related to the tax considerations of holding the New Senior Secured Term Loan.

4. U.S. Holders of Senior Noteholder Claims.

U.S. Holders of Allowed Senior Noteholder Claims will receive New Common Stock (and in certain cases, New Warrants) and Cash, and may receive the New Senior Secured Term Loan, in exchange for their Claims. Each such U.S. Holder will realize gain or loss equal to the difference between the adjusted tax basis in its Claim surrendered in the exchange, determined immediately prior to the Effective Date, and the sum of (i) the fair market value of the New Common Stock and New Warrants received, (ii) any Cash received, and (iii) the issue price of the New Senior Secured Term Loan, if received. See "Federal Income Tax Treatment of the New Senior Secured Term Loan," below, for a discussion related to the determination of the issue price of the New Senior Secured Term Loan.

The exchange of such Claim will likely be treated as a recapitalization for U.S. federal income tax purposes. In such a case, a U.S. Holder of such Claim who realizes a loss on the exchange will not be permitted to recognize such loss, except to the extent of any loss attributable to accrued but unpaid interest with respect to such Claim. A U.S. Holder of such Claim who realizes gain on the exchange will be required to recognize the lesser of (i) the amount of gain realized on the exchange and (ii) the sum of the issue price of the New Senior Secured Term Loan, if received, and the amount of Cash received as part of the exchange. A U.S. Holder's tax basis in the New Common Stock and any New Warrants received in exchange for its Claim will equal its adjusted tax basis in its Claim, increased by the amount of gain recognized on the exchange, if any, and reduced by the sum of (i) the fair market value of the New Senior Secured Term Loan, if received, and (ii) the amount of Cash received as part of the exchange. If a U.S. Holder receives both New Common Stock and New Warrants in exchange for its Claim, such basis will be allocated between the New Common Stock and the New Warrants in proportion to their relative fair market values on the date received. A U.S. Holder's holding period in the New Common Stock and any New Warrants will include the holding period in its Claim surrendered. A U.S. Holder's tax basis in the New Senior Secured Term Loan, if received, will equal the issue price of the New Senior Secured Term Loan. A U.S. Holder's holding period in the New Senior Secured Term Loan, if received, will commence on the day after the date received.

See "Federal Income Tax Treatment of New Senior Secured Term Loan," below, for a discussion related to the tax considerations of holding the New Senior Secured Term Loan.

5. U.S. Holders of General Unsecured Claims (not including Claims arising from a Non-Qualified Former Employee Benefit Plan).

U.S. Holders of Allowed General Unsecured Claims will receive Cash in exchange for their Claims. Each U.S. Holder of an Allowed General Unsecured Claim will recognize gain or loss equal to the difference between (i) the adjusted tax basis in its Claim surrendered in the exchange, determined immediately prior to the Effective Date, and (ii) the amount of Cash received as part of the exchange.

Because a U.S. Holder's ultimate share of consideration based on its General Unsecured Claim against the Filed Subsidiary Debtors may not be determinable on the Effective Date due to the existence of Disputed Claims, such U.S. Holder should recognize additional or offsetting gain due to the disallowance of a Disputed Claim if, and to the extent that, the aggregate amount of consideration ultimately received by a U.S. Holder is greater than the amount used in initially determining such U.S. Holder's gain or loss in accordance with the procedures described in the preceding paragraphs.

6. U.S. Holders of Convenience Claims.

U.S. Holders of Allowed Convenience Claims will receive Cash in exchange for their Claims. Each U.S. Holder of a Convenience Claim will recognize gain or loss equal to the difference between (i) the adjusted tax basis in its Claim surrendered in the exchange, determined immediately prior to the Effective Date, and (ii) the amount of Cash received as part of the exchange.

7. U.S. Holders of Claims arising from a Non-Qualified Former Employee Benefit Plan.

U.S. Holders of Allowed Claims arising from a Non-Qualified Former Employee Benefit Plan will receive Cash in exchange for their Claims. The amount of Cash received as part of the exchange will likely be treated as compensation income to a U.S. Holder of a Claim arising from a Non-Qualified Former Employee Benefit Plan to the extent not previously included in income by such U.S. Holder. Under Treasury Regulations promulgated under Section 409A of the IRC, such a payment may be treated as an acceleration of deferred compensation, and, if so, would be subject to an additional twenty percent (20%) tax, and interest would be due at the federal underpayment rate plus one percent (1%) on the underpayments of income tax on the amount of such deferred compensation had it been included in income in the first year it was no longer subject to a substantial risk of forfeiture.

Because a U.S. Holder's ultimate share of consideration based on its Claim against the Filed Subsidiary Debtors may not be determinable on the Effective Date due to the existence of Disputed Claims, such U.S. Holder would likely recognize additional compensation income due to the disallowance of a Disputed Claim if, and to the extent that, the aggregate amount of consideration ultimately received by a U.S. Holder is greater than the amount used in initially determining such U.S. Holder's compensation income in accordance with the procedures described in the preceding paragraphs. Such additional payments may also be subject to the additional twenty percent (20%) tax and interest imposed on deferred compensation that does not satisfy the requirements of Section 409A of the IRC.

8. U.S. Holders of EGI-TRB LLC Notes Claims.

Pursuant to the Plan, all EGI-TRB LLC Notes Claims will be extinguished, and U.S. Holders of EGI-TRB LLC Notes Claims will receive nothing in exchange for such Claims. As a result, each U.S. Holder of an EGI-TRB LLC Notes Claim generally will recognize a loss equal to the U.S. Holder's adjusted tax basis in such Claim extinguished under the Plan, except to the extent that such U.S. Holder previously claimed a loss with respect to such Claim under its regular method of accounting.

9. U.S. Holders of PHONES Notes Claims.

Pursuant to the Plan, all PHONES Notes Claims will be extinguished, and U.S. Holders of PHONES Notes Claims will receive nothing in exchange for such Claims. As a result, each U.S. Holder of a PHONES Notes Claim generally will recognize a loss equal to the U.S. Holder's adjusted tax basis in such Claim extinguished under the Plan, except to the extent that such U.S. Holder previously claimed a loss with respect to such Claim under its regular method of accounting. U.S. Holders of PHONES Notes Claims should consult their tax advisors with respect to the character of their loss.

10. U.S. Holders of Securities Litigation Claims.

Pursuant to the Plan, all Securities Litigation Claims will be extinguished, and U.S. Holders of Securities Litigation Claims will receive nothing in exchange for such Claims. As a result, each U.S. Holder of a Securities Litigation Claim generally will recognize a loss equal to the U.S. Holder's adjusted tax basis, if any, in such Claim, except to the extent that such U.S. Holder previously claimed a loss with respect to such Claim under its regular method of accounting.

11. U.S. Holders of Tribune Interests.

Pursuant to the Plan, all Tribune Interests will be extinguished, and U.S. Holders of Tribune Interests will receive nothing in exchange for such Tribune Interests. As a result, each U.S. Holder of Tribune Interests generally will recognize a loss equal to the U.S. Holder's adjusted tax basis in such Tribune Interests extinguished under the Plan, except to the extent that such U.S. Holder previously claimed a loss with respect to such Tribune Interests under its regular method of accounting.

12. Definition of "Security."

The term "security" is not defined in the IRC or in the Treasury Regulations. Whether an instrument constitutes a "security" for U.S. federal income tax purposes is determined based on all of the facts and circumstances. Certain authorities have held that one factor to be considered is the length of the initial term of the debt instrument. These authorities have indicated that an initial term of less than five years is evidence that the instrument is generally not a security, whereas an initial term of ten years or more is evidence that it is a security. Treatment of an instrument with an initial term between five and ten years is generally unsettled. Numerous factors other than the term of an instrument could be taken into account in determining whether a debt instrument is a security, including, but not limited to, whether repayment is secured, the level of creditworthiness of the obligor, whether the instrument is subordinated, whether the holders have the right to vote or otherwise participate in the management of the obligor, whether the instrument is convertible into an equity interest, whether payments of interest are fixed, variable or contingent and whether such payments are made on a current basis or are accrued.

13. Federal Income Tax Treatment of the New Senior Secured Term Loan.

If the New Senior Secured Term Loan is "publicly traded," its issue price is generally expected to equal its fair market value on the Effective Date. If the New Senior Secured Term Loan is not publicly traded, its issue price will depend on whether a substantial amount of the New Senior Secured Term Loan is exchanged for debt instruments that are publicly traded, in which case the issue price of the New Senior Secured Term Loan is generally expected to be determined by reference to the fair market value of the publicly traded debt for which a substantial amount of the New Senior Secured Term Loan has been exchanged. Otherwise, the issue price of the New Senior Secured Term Loan is generally expected to equal its stated redemption price at maturity. For these purposes, a debt instrument generally is treated as publicly traded if, at any time during the 60 day period ending 30 days after the issue date, (i) the debt is listed on a national securities exchange or quoted on an interdealer quotation system sponsored by a national securities association, (ii) it appears on a system of general circulation (including a computer listing disseminated to subscribing brokers, dealers or traders) that provides a reasonable basis to determine fair market value by disseminating either recent price quotations (including rates, yields or other pricing information) of one or more identified brokers, dealers or traders or actual prices (including rates, yields or other pricing information) of recent sales transactions or (iii) if, in certain circumstances, price quotations are readily available from dealers, brokers or traders.

A U.S. Holder who receives the New Senior Secured Term Loan will generally be required to include stated interest on the New Senior Secured Term Loan in income in accordance with U.S. Holder's regular method of tax accounting. In addition, if the New Senior Secured Term Loan is treated as issued with original issue discount for U.S. federal income tax purposes, a U.S. Holder of the New Senior Secured Term Loan will be required to include in income the amount of such original issue discount over the term of the New Senior Secured Term Loan based on the constant yield method. In such a case, a U.S. Holder will be

required to include amounts in income before they are received. A U.S. Holder's tax basis in the New Senior Secured Term Loan will be increased by the amount of original issue discount included in income and reduced by the amount of Cash (other than payments of stated interest) received with respect to the New Senior Secured Term Loan.

14. Non-United States Persons.

A holder of a Claim that is a Non-United States Person generally will not be subject to U.S. federal income tax with respect to property (including money) received in exchange for such Claim pursuant to the Plan, unless (i) such holder is engaged in a trade or business in the United States to which income, gain or loss from the exchange is "effectively connected" for U.S. federal income tax purposes, or (ii) such holder is an individual and is present in the United States for 183 days or more during the taxable year of the exchange and certain other requirements are met.

15. Information Reporting and Backup Withholding.

Certain payments, including the payments with respect to Claims pursuant to the Plan, may be subject to information reporting by the payor (the relevant Debtor) to the IRS. Moreover, such reportable payments may be subject to backup withholding (currently at a rate of twenty-eight percent (28%)) under certain circumstances. Backup withholding is not an additional tax. Amounts withheld under the backup withholding rules may be credited against a holder's U.S. federal income tax liability, and a holder may obtain a refund of any excess amounts withheld under the backup withholding rules by filing an appropriate claim for refund with the IRS (generally, a U.S. federal income tax return).

C. Federal Income Tax Treatment of Other Parent Claims Reserves and Subsidiary GUC Reserves.

Reorganized Tribune may establish one or more Other Parent Claims Reserves and Subsidiary GUC Reserves (together, "Reserves") to make distributions to Holders of Disputed Claims that become Allowed Claims after the Effective Date. Distributions from each such Reserve will be made to Holders of Disputed Claims when such Claims are subsequently Allowed, and to Holders of Allowed Claims (whether such Claims were Allowed on or after the Effective Date) when any Disputed Claims are subsequently disallowed.

Reorganized Tribune may elect to treat each Reserve as a grantor trust for U.S. federal income tax purposes. As a grantor trust, the assets of such Reserve would be treated as directly owned by Reorganized Tribune.

To the extent a valid grantor trust election is not made with respect to a Reserve, such Reserve will likely be taxable as a "qualified settlement fund" ("QSF"), separate and apart from Reorganized Tribune, subject to a separate entity-level tax on its income at the highest rate applicable for trusts and estates upon any amounts earned by such reserve. Therefore, distributions from each such Reserve may be reduced to satisfy any taxes payable by the QSF.

Holders of Claims should note the tax treatment of such Reserves is unclear and should consult their own tax advisors.

D. Importance of Obtaining Professional Tax Assistance.

THE FOREGOING DISCUSSION IS INTENDED ONLY AS A SUMMARY OF CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING WITH A TAX PROFESSIONAL. THE ABOVE DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT TAX ADVICE. THE TAX CONSEQUENCES ARE IN MANY CASES UNCERTAIN AND MAY VARY DEPENDING ON A CLAIM HOLDER'S PARTICULAR CIRCUMSTANCES. ACCORDINGLY, CLAIM HOLDERS ARE URGED TO CONSULT

THEIR OWN TAX ADVISORS ABOUT THE U.S. FEDERAL, STATE AND LOCAL, AND APPLICABLE NON-U.S. INCOME AND OTHER TAX CONSEQUENCES OF THE PLAN.

E. Reservation of Rights.

This tax section is subject to change (possibly substantially) based on subsequent changes to other provisions of the Plan. The Debtors and their advisors reserve the right to further modify, revise or supplement this Article XVI and the other tax related sections of the Plan up to ten days prior to the date by which objections to Confirmation of the Plan must be filed and served.

XVI. CERTAIN FEDERAL, STATE AND FOREIGN SECURITIES LAW CONSIDERATIONS

A. Federal and State Securities Law Considerations.

Upon consummation of the Plan, the Debtors will rely on section 1145 of the Bankruptcy Code to exempt the issuance of the shares of New Common Stock and the New Warrants from the registration requirements of the Securities Act and of any state securities or “blue sky” laws. Section 1145 of the Bankruptcy Code exempts from registration the offer or sale of securities of the debtor or a successor to a debtor under a chapter 11 plan if such securities are offered or sold in exchange for a claim against, or equity interest in, or a claim for an administrative expense in a case concerning, the debtor or a successor to the debtor under the plan. The Debtors believe that Reorganized Tribune is a successor to Tribune under the Plan for purposes of section 1145 of the Bankruptcy Code and that the offer and sale of the shares of New Common Stock and the New Warrants under the Plan satisfies the requirements of section 1145 and is therefore exempt from the registration requirements of the Securities Act and state laws.

B. Subsequent Transfers of New Securities.

In general, recipients of the New Common Stock and the New Warrants will be able to resell their shares of New Common Stock or New Warrants without registration under the Securities Act or other federal securities laws pursuant to the exemption provided by Section 4(1) of the Securities Act, unless the Holder of such stock or warrant is an “underwriter” within the meaning of section 1145(b) of the Bankruptcy Code. In addition, the New Common Stock and the New Warrants generally may be resold without registration under state securities laws pursuant to various exemptions provided by the respective laws of the several states. However, recipients of the New Common Stock and the New Warrants issued under the Plan are advised to consult with their own legal advisors as to the availability of any such exemption from registration under state law in any given instance and as to any applicable requirements or conditions to such availability.

Section 1145(b) of the Bankruptcy Code defines “underwriter” as one who (i) purchases a claim with a view to distribution of any security to be received in exchange for such claim, (ii) offers to sell securities issued under a plan for the Holders of such securities, (iii) offers to buy securities issued under a plan from persons receiving such securities, if the offer to buy is made with a view to distribution, or (iv) is an “issuer” of the relevant security, as such term is used in Section 2(11) of the Securities Act. Under Section 2(11) of the Securities Act, an “issuer” includes any “affiliate” of the issuer, which means any person directly or indirectly through one or more intermediaries controlling, controlled by or under common control with the issuer.

To the extent that recipients of the New Common Stock or New Warrants under the Plan are deemed to be “underwriters,” the resale of the shares of New Common Stock or New Warrants received by such persons would not be exempted by section 1145 of the Bankruptcy Code from registration under the Securities Act or other applicable laws. Persons deemed to be underwriters may, however, be permitted to sell such New Common Stock or New Warrants without registration pursuant to the provisions of Rule 144 under the Securities Act. This rule permits the public resale of securities received by “underwriters” if current information regarding the issuer is publicly available and if certain volume limitations and other conditions are met.

GIVEN THE COMPLEX NATURE OF THE QUESTION OF WHETHER A PARTICULAR PERSON MAY BE AN UNDERWRITER WITH RESPECT TO THE NEW COMMON STOCK OR THE NEW WARRANTS, NONE OF THE DEBTORS OR THE REORGANIZED DEBTORS MAKE ANY REPRESENTATIONS CONCERNING THE RIGHT OF ANY PERSON TO TRADE IN THE SHARES OF NEW COMMON STOCK OR THE NEW WARRANTS ISSUED UNDER THE PLAN. THE DEBTORS RECOMMEND THAT HOLDERS OF CLAIMS OR INTERESTS CONSULT THEIR OWN COUNSEL CONCERNING WHETHER THEY MAY FREELY TRADE SUCH SECURITIES WITHOUT REGISTRATION UNDER THE SECURITIES ACT.

XVII. ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN

If the Plan is not confirmed, the alternatives include (i) continuation of the Chapter 11 Cases and formulation of an alternative plan or plans of reorganization or (ii) liquidation of the Debtors under chapter 7 or chapter 11 of the Bankruptcy Code. Each of these possibilities is discussed in turn below.

A. Continuation of The Chapter 11 Cases

If the Debtors remain in chapter 11, the Debtors could continue to operate their businesses and manage their properties as Debtors in Possession, but they would remain subject to the restrictions imposed by the Bankruptcy Code. It is not clear whether the Debtors could continue as viable going concerns in protracted Chapter 11 Cases. If the Debtors remain in chapter 11 for a prolonged period of time, they could have difficulty operating with the high costs, operating financing and the eroding confidence of their employees, customers and trade vendors.

In addition, if the Debtors fail to settle outstanding Claims through the Plan, litigation over Claims may take years to resolve, be burdensome and expensive, prolong the Chapter 11 Cases, and have a detrimental impact on the Debtors' businesses and enterprise value.

B. Liquidation Under Chapter 7 or Chapter 11

If the Plan is not confirmed, the Debtors' Chapter 11 Cases could be converted to liquidation cases under chapter 7 of the Bankruptcy Code. In chapter 7, a trustee would be appointed to liquidate the assets of the Debtors. The Debtors believe that in a liquidation under chapter 7 additional administrative expenses involved in the appointment of a trustee and professionals to assist such trustee, along with expenses associated with an increase in the number of unsecured claims that would be expected, would cause a substantial diminution in the value of the estates. In addition, the Debtors believe that the Liquidation Analysis attached to this Disclosure Statement as Exhibit E is speculative as it is necessarily premised upon assumptions and estimates. As such, the Liquidation Analysis can give no assurance as to the value which would be realized in a chapter 7 liquidation.

The Debtors could also be liquidated under a chapter 11 plan of reorganization. In a chapter 11 liquidation, the Debtors' assets could be sold in a more orderly fashion over a longer period of time than in a liquidation under chapter 7 and a trustee would not be required. Thus, chapter 11 liquidation might result in larger recoveries than in a chapter 7 liquidation; however, the delay in distributions could result in lower present values being received and higher administrative costs.

XVIII. CONCLUSION AND RECOMMENDATION

The Debtors believe that confirmation of the Plan is preferable to the alternatives described above because it provides the greatest distributions and opportunity for distributions to Holders of Claims against and Interests in any of the Debtors. In addition, any alternative to confirmation of the Plan could result in extensive delays and increased administrative expenses.

Accordingly, the Debtors urge all Holders of Claims and Interests entitled to vote on the Plan to vote to accept the Plan and to evidence such acceptance by returning their Ballots so that they are received no later than [●].m., prevailing Eastern Time, on [●].

Dated: April 12, 2010

Respectfully submitted,

TRIBUNE COMPANY (for itself and on behalf of the
Affiliate Debtors, as Debtors and Debtors in Possession)

By: /s/ Chandler Bigelow III
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EXHIBIT A

Joint Plan of Reorganization for Tribune Company and Its Subsidiaries

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

TRIBUNE COMPANY, et al.,¹

Debtors.

Chapter 11

Case No. 08-13141 (KJC)

Jointly Administered

JOINT PLAN OF REORGANIZATION FOR TRIBUNE COMPANY AND ITS SUBSIDIARIES

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AFFILIATES
DATED: APRIL 12, 2010

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Tribune Company (0355); 435 Production Company (8865); 5800 Sunset Productions Inc. (5510); Baltimore Newspaper Networks, Inc. (8258); California Community News Corporation (5306); Candle Holdings Corporation (5626); Channel 20, Inc. (7399); Channel 39, Inc. (5256); Channel 40, Inc. (3844); Chicago Avenue Construction Company (8634); Chicago River Production Company (5434); Chicago Tribune Company (3437); Chicago Tribune Newspapers, Inc. (0439); Chicago Tribune Press Service, Inc. (3167); ChicagoLand Microwave Licensee, Inc. (1579); Chicagoland Publishing Company (3237); Chicagoland Television News, Inc. (1352); Courant Specialty Products, Inc. (9221); Direct Mail Associates, Inc. (6121); Distribution Systems of America, Inc. (3811); Eagle New Media Investments, LLC (6661); Eagle Publishing Investments, LLC (6327); forsalebyowner.com corp. (0219); ForSaleByOwner.com Referral Services LLC (9205); Fortify Holdings Corporation (5628); Forum Publishing Group, Inc. (2940); Gold Coast Publications, Inc. (5505); GreenCo, Inc. (7416); Heart & Crown Advertising, Inc. (9808); Homeowners Realty, Inc. (1507); Homestead Publishing Co. (4903); Hoy, LLC (8033); Hoy Publications, LLC (2352); InsertCo, Inc. (2663); Internet Foreclosure Service, Inc. (6550); JuliusAir Company LLC (9479); JuliusAir Company II, LLC; KIAH Inc. (4014); KPLR, Inc. (7943); KSWB Inc. (7035); KTLA Inc. (3404); KWGN Inc. (5347); Los Angeles Times Communications LLC (1324); Los Angeles Times International, Ltd. (6079); Los Angeles Times Newspapers, Inc. (0416); Magic T Music Publishing Company (6522); NBBF, LLC (0893); Neocomm, Inc. (7208); New Mass. Media, Inc. (9553); Newscom Services, Inc. (4817); Newspaper Readers Agency, Inc. (7335); North Michigan Production Company (5466); North Orange Avenue Properties, Inc. (4056); Oak Brook Productions, Inc. (2598); Orlando Sentinel Communications Company (3775); Patuxent Publishing Company (4223); Publishers Forest Products Co. of Washington (4750); Sentinel Communications News Ventures, Inc. (2027); Shepard's Inc. (7931); Signs of Distinction, Inc. (3603); Southern Connecticut Newspapers, Inc. (1455); Star Community Publishing Group, LLC (5612); Stemweb, Inc. (4276); Sun-Sentinel Company (2684); The Baltimore Sun Company (6880); The Daily Press, Inc. (9368); The Hartford Courant Company (3490); The Morning Call, Inc. (7560); The Other Company LLC (5337); Times Mirror Land and Timber Company (7088); Times Mirror Payroll Processing Company, Inc. (4227); Times Mirror Services Company, Inc. (1326); TMLH 2, Inc. (0720); TMLS I, Inc. (0719); TMS Entertainment Guides, Inc. (6325); Tower Distribution Company (9066); Towering T Music Publishing Company (2470); Tribune Broadcast Holdings, Inc. (4438); Tribune Broadcasting Company (2569); Tribune Broadcasting Holdco, LLC (2534); Tribune Broadcasting News Network, Inc., n/k/a Tribune Washington Bureau Inc. (1088); Tribune California Properties, Inc. (1629); Tribune CNLBC, LLC f/k/a Chicago National League Ball Club, LLC (0347); Tribune Direct Marketing, Inc. (1479); Tribune Entertainment Company (6232); Tribune Entertainment Production Company (5393); Tribune Finance, LLC (2537); Tribune Finance Service Center, Inc. (7844); Tribune License, Inc. (1035); Tribune Los Angeles, Inc. (4522); Tribune Manhattan Newspaper Holdings, Inc. (7279); Tribune Media Net, Inc. (7847); Tribune Media Services, Inc. (1080); Tribune Network Holdings Company (9936); Tribune New York Newspaper Holdings, LLC (7278); Tribune NM, Inc. (9939); Tribune Publishing Company (9720); Tribune Television Company (1634); Tribune Television Holdings, Inc. (1630); Tribune Television New Orleans, Inc. (4055); Tribune Television Northwest, Inc. (2975); ValuMail, Inc. (9512); Virginia Community Shoppers, LLC (4025); Virginia Gazette Companies, LLC (9587); WATL, LLC (7384); WCWN LLC (5982); WDCW Broadcasting, Inc. (8300); WGN Continental Broadcasting Company (9530); WLVI Inc. (8074); WPIX, Inc. (0191); and WTXN Inc. (1268). The Debtors' corporate headquarters and the mailing address for each Debtor is 435 North Michigan Avenue, Chicago, Illinois 60611.

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INTRODUCTION

Tribune Company and the Filed Subsidiary Debtors² listed in Appendix A hereto, together with those Subsidiary Non-Debtors listed in Appendix B hereto as may file for protection under chapter 11 of the Bankruptcy Code subsequent to the date hereof and prior to the Confirmation Date, hereby propose the following joint plan of reorganization for the resolution of outstanding Claims against and Interests in all of the Debtors in their reorganization cases under chapter 11 of the Bankruptcy Code.

The Debtors are the proponents of this Plan within the meaning of section 1129 of the Bankruptcy Code, and the Guarantor Non-Debtors are participating in this Plan with the Debtors. Reference is made to the Disclosure Statement, distributed contemporaneously herewith, for a discussion of the Debtors' history, businesses, properties and operations, projections for those operations, risk factors, a summary and analysis of this Plan, and certain related matters including, among other things, the indebtedness and securities to be issued under this Plan. Subject to certain restrictions and requirements set forth herein, including, without limitation Section 13.9 of this Plan, and in 11 U.S.C. § 1127 and Fed. R. Bankr. P. 3019, the Debtors reserve the right to alter, amend, modify, revoke or withdraw this Plan prior to its substantial consummation in accordance with the terms hereof, the Confirmation Order, and the Bankruptcy Code.

ARTICLE I: DEFINITIONS; RULES OF INTERPRETATION; EXHIBITS

1.1 Definitions.

As used herein, capitalized terms shall have the meanings set forth below. Any term that is not otherwise defined herein, but that is used in the Bankruptcy Code or the Bankruptcy Rules, shall have the meaning given to that term in the Bankruptcy Code or the Bankruptcy Rules, as applicable.

1.1.1 2009 MIP Motion means the Motion of the Debtors for an Order Authorizing the Debtors to Implement a 2009 Management Incentive Plan and To Pay Earned 2008 Management Incentive Plan Awards to Certain Executives filed on July 22, 2009 [D.I. 1800].

1.1.2 Administrative Expense Claim means a Claim for costs and expenses of administration of the Chapter 11 Cases that is Allowed under sections 328, 330, 363, 364(c)(1), 365, 503(b), or 507(a)(2) of the Bankruptcy Code, including, without limitation, (a) any actual and necessary costs and expenses of preserving the Debtors' Estates and operating the businesses of the Debtors (such as wages, salaries and commissions for services and payments for inventory, leased equipment and premises) and Claims of governmental units for taxes (including tax audit Claims) related to tax years ending on or after the Petition Date or commencing after the Petition Date, but excluding Claims related to tax periods, or portions thereof, ending on or before the Petition Date; (b) all compensation for legal, financial, advisory,

² Capitalized terms used in this Introduction shall have the meanings ascribed to such terms in Article I hereof and elsewhere in the Plan.

accounting and other professional services and reimbursement of expenses incurred during the Chapter 11 Cases Allowed by the Bankruptcy Court; (c) any indebtedness or obligation incurred or assumed by the Debtors during the Chapter 11 Cases pursuant to an agreement which was approved or otherwise permitted by a Final Order of the Bankruptcy Court or is an ordinary course agreement; (d) any payment to cure a default on an assumed executory contract or unexpired lease; (e) post-petition Claims against any of the Debtors held by a Debtor or a non-Debtor Affiliate; or (f) any fees and charges assessed against the Debtors' Estates under section 1930, chapter 123, of title 28 of the United States Code.

1.1.3 Affiliate shall have the meaning ascribed to such term in section 101(2) of the Bankruptcy Code, and when used with reference to any Debtor, shall include, but not be limited to, each of the other Debtors.

1.1.4 Allowed means, with respect to a Claim or Interest, or any portion thereof, in any Class or category specified, a Claim or Interest (a) that is evidenced by a Proof of Claim or Interest and is not listed as disputed, contingent or unliquidated on the pertinent Debtor's schedules and as to which no objection or request for estimation has been filed on or before any objection deadline set by the Bankruptcy Court or the expiration of such other applicable period fixed by the Bankruptcy Court, (b) that is listed on the pertinent Debtor's schedules but is not listed as disputed, contingent or unliquidated, that is not otherwise subject to an objection and as for which no contrary or superseding Proof of Claim or Interest has been filed, (c) as to which any objection has been settled, waived, withdrawn or overruled by a Final Order; or (d) that is expressly allowed (i) by a Final Order, (ii) pursuant to the terms of the Claims Settlement Order, (iii) solely with respect to those Claims that are not pre-petition Claims and are not required under applicable bankruptcy law to be allowed pursuant to an order of the Bankruptcy Court, by an agreement between the Holder of such Claim and the pertinent Debtor or Reorganized Debtor pursuant to an agreement which was approved or otherwise permitted by a Final Order of the Bankruptcy Court or is an ordinary course agreement that, unless *de minimis* in nature, has been provided to and has not been objected to in writing by the Creditors' Committee, or (iv) pursuant to the terms of this Plan.

1.1.5 Angelo Gordon means Angelo Gordon & Co LP and its Affiliates and Related Persons of such entities.

1.1.6 Available Cash means all bank Cash balances that are immediately available for disbursement reduced by the value of (a) any funds held in accounts that are restricted in their use, including, but not limited to, Cash held as collateral for issued letters of credit, Cash held in escrow accounts, Cash held for collateral in respect of utility deposits, and Cash held by Multimedia Insurance Company, a Non-Guarantor Non-Debtor and (b) up to \$5,000,000 held in bank accounts that are not part of the Debtors' centralized cash management system.

1.1.7 Average Distributable Cash means the average of the Available Cash balance of all of the Tribune Entities at the close of business on each of the four Fridays (or the immediately preceding Business Day if any such Friday is not a Business Day) immediately preceding the Effective Date.

1.1.8 Ballot means the document for accepting or rejecting the Plan in the form approved by the Bankruptcy Court.

1.1.9 Bankruptcy Code means title 11 of the United States Code, as in effect on the Petition Date, together with any and all amendments and modifications thereto that were subsequently made applicable to the Chapter 11 Cases.

1.1.10 Bankruptcy Court means the United States Bankruptcy Court for the District of Delaware.

1.1.11 Bankruptcy Rules means the Federal Rules of Bankruptcy Procedure as promulgated by the United States Supreme Court under section 2075 of title 28 of the United States Code and any local rules of the Bankruptcy Court, as in effect on the Petition Date, together with any and all amendments and modifications thereto that were subsequently made applicable to the Chapter 11 Cases.

1.1.12 Barclays Swap Claim means any Claims asserted by Barclays Bank PLC under that certain 1992 ISDA Master Agreement, dated as of July 2, 2007, between Barclays Bank PLC and Tribune.

1.1.13 Bridge Lenders means the lenders from time to time party to the Bridge Loan Agreement as Lenders thereunder, including former lenders and any applicable assignees and participants thereof.

1.1.14 Bridge Loan Agent means Merrill Lynch Capital Corporation as administrative agent, and its Affiliates and Related Persons of such entities, and any successor administrative agent, under the Bridge Loan Agreement.

1.1.15 Bridge Loan Agreement means that certain Senior Unsecured Interim Loan Agreement, dated as of December 20, 2007, among Tribune, the Bridge Lenders, the Bridge Loan Agent, JPMorgan Chase Bank, N.A., as syndication agent, and Citicorp North America, Inc. and Bank of America, N.A., as co-documentation agents, as amended, restated, supplemented or otherwise modified from time to time.

1.1.16 Bridge Loan Claim means a Claim arising under the Bridge Loan Agreement.

1.1.17 Bridge Loan Guaranty Agreement means the Guaranty Agreement, dated as of December 20, 2007, among Tribune, each of the subsidiaries of Tribune listed on Annex I thereto, and the Bridge Loan Agent, as amended, restated, supplemented or otherwise modified from time to time.

1.1.18 Bridge Loan Guaranty Claim means a Claim arising under Bridge Loan Guaranty Agreement.

1.1.19 Business Day means any day other than a Saturday, a Sunday or "legal holiday" (as defined in Bankruptcy Rule 9006(a)).

1.1.20 By-Laws means the amended and restated by-laws of Reorganized Tribune, in substantially the form attached as Exhibit 5.3.1(2) to this Plan and filed with the Plan Supplement.

1.1.21 Cash means legal tender of the United States of America or equivalents thereof, including, without limitation, payment in such tender by check, wire transfer or any other customary payment method.

1.1.22 Centerbridge means Centerbridge Credit Advisors LLC and its Affiliates and Related Persons of such entities.

1.1.23 Certificate of Incorporation means the amended and restated certificate of incorporation of Reorganized Tribune, in substantially the form attached as Exhibit 5.3.1(1) to this Plan and filed with the Plan Supplement.

1.1.24 Chapter 11 Cases means the voluntary cases commenced on the Petition Date by the Debtors in the Bankruptcy Court under chapter 11 of the Bankruptcy Code and the voluntary cases, if any, commenced by any of the Subsidiary Non-Debtors under chapter 11 of the Bankruptcy Code.

1.1.25 Claim means a “claim,” as defined in section 101(5) of the Bankruptcy Code.

1.1.26 Claims Settlement Order means the Order Granting Debtors (I) Limited Waiver of Requirements of Local Rule 3007-1(f) and (II) Authority to Settle Disputed Claims, as entered on November 25, 2009 [D.I. 2657], as the same may be amended, modified or supplemented from time to time.

1.1.27 Class means a category of Claims or Interests set forth in Article III of this Plan, as such term is used and described in section 1122 and section 1123(a)(1) of the Bankruptcy Code.

1.1.28 Collective Bargaining Agreement(s) means, individually or collectively, the collective bargaining agreements listed on Appendix C hereto.

1.1.29 Communications Act means the Communications Act of 1934, as amended, or any other successor federal statute, and the rules and regulations of the FCC promulgated thereunder.

1.1.30 Confirmation Date means the date on which the Clerk of the Bankruptcy Court enters the Confirmation Order on its docket.

1.1.31 Confirmation Hearing means the hearing held by the Bankruptcy Court on confirmation of this Plan, as such hearing may be continued from time to time.

1.1.32 Confirmation Order means the order of the Bankruptcy Court confirming this Plan pursuant to section 1129 of the Bankruptcy Code.

1.1.33 Convenience Claim means a Claim against Tribune that would otherwise be a General Unsecured Claim that is (a) in an amount equal to or less than \$1,000 or (b) in an amount that has been reduced to \$1,000 pursuant to a Convenience Class Election made by the Holder of such Claim; provided, however, that where any portion(s) of a single Claim has been transferred on or after April 12, 2010, any transferred portion(s) shall continue to be treated together with such Claim as a single Claim for purposes of the Convenience Class Election and determining whether such Claim qualifies as a Convenience Claim.

1.1.34 Convenience Class Election means an irrevocable election made on the Ballot by the Holder of a Claim against Tribune that would otherwise be a General Unsecured Claim in an amount greater than \$1,000 to reduce such Claim to \$1,000.

1.1.35 Covered Claims has the meaning set forth in Section 11.7.2 of this Plan.

1.1.36 Creditors' Committee Member Fee/Expense Claims means amounts incurred by individual members of the Creditors' Committee that are not indenture trustees solely in their capacity as members of the Creditors' Committee on and after the Petition Date through and including the Effective Date for the reasonable and documented fees, costs and expenses of their individual outside legal and/or financial advisors.

1.1.37 Creditors' Committee means the official committee of unsecured creditors appointed by the U.S. Trustee pursuant to section 1102(a) of the Bankruptcy Code in the Chapter 11 Cases.

1.1.38 Customer Program means any of the Debtors' customer programs and practices as to which the Debtors were authorized, in their sole discretion and in the ordinary course of business, to honor and perform all obligations in respect thereof by the Order Authorizing, But Not Requiring, the Debtors to Honor Certain Prepetition Obligations to Customers and to Otherwise Continue Prepetition Customer Programs and Practices in the Ordinary Course of Business, which was signed by the Bankruptcy Court on December 10, 2008 [D.I. 50].

1.1.39 Debtor(s) means, individually or collectively, the debtors and debtors in possession identified in footnote 1 hereto, and shall also include any Subsidiary Non-Debtor that files a chapter 11 petition for relief prior to the Confirmation Date.

1.1.40 Debtor Released Claims has the meaning set forth in Section 11.2.1 of this Plan.

1.1.41 Defined Benefit Plan means a single-employer plan within the meaning of section 4001(a)(15) of the Employee Retirement Income Security Act of 1974, as amended.

1.1.42 DIP Facility means the financing facility and letter of credit facility entered into by the Debtors pursuant to the DIP Facility Agreements.

1.1.43 DIP Facility Agent means Barclays Bank PLC, as administrative agent and letter of credit agent under the DIP Facility Agreements.

1.1.44 DIP Facility Agreements means collectively, as each may be amended, supplemented or otherwise modified from time to time, (a) that certain Amended and Restated Receivables Loan Agreement among Tribune, Tribune Receivables, LLC, the DIP Facility Agent, and the DIP Facility Lenders, (b) that certain Amended and Restated Receivables Purchase Agreement among Tribune Receivables, LLC, Tribune and the other Originators (as defined therein), (c) that certain Amended and Restated Servicing Agreement among Tribune Receivables, LLC, Tribune and the other Originators (as defined therein), (d) that certain Amended and Restated Guaranty Security Agreement among Tribune, the other Debtors, and the DIP Facility Agent, (e) that certain Letter of Credit Agreement among the DIP Facility Agent, certain DIP Facility Lenders and the Debtors, and (f) that certain Payout and Termination Agreement, dated as of March 1, 2010, among Tribune Receivables, LLC, Tribune, certain subsidiaries of Tribune party thereto, and Barclays Bank PLC, as administrative agent.

1.1.45 DIP Facility Claims means all Claims held by the DIP Facility Agent and the DIP Facility Lenders pursuant to the DIP Facility Agreements and the Final DIP Order.

1.1.46 DIP Facility Lenders means the lenders from time to time party to the DIP Facility Agreements, including any applicable assignees and participants thereof.

1.1.47 Disallowed Claim means all or such part of a Claim that is disallowed by a Final Order.

1.1.48 Disbursing Agent means any entity in its capacity as a disbursing agent under Section 7.5 hereof.

1.1.49 Discharge Injunction means the injunction described in section 1141 of the Bankruptcy Code and contained in Section 11.1.2 of this Plan.

1.1.50 Disclosure Statement means that certain disclosure statement relating to this Plan, including, without limitation, all exhibits and schedules thereto, as the same may be amended, supplemented or otherwise modified from time to time, as approved by the Bankruptcy Court pursuant to section 1125 of the Bankruptcy Code.

1.1.51 Disputed Claim means any Claim, including any portion thereof, (a) that is neither an Allowed Claim nor a Disallowed Claim, (b) that is listed as disputed, contingent or unliquidated on the Debtors' schedules or that is otherwise subject to an objection, or (c) for which a Proof of Claim has been timely filed with the Bankruptcy Court or a written request for payment has been made, to the extent the Debtors have, or any party in interest entitled to do so has, interposed a timely objection or request for estimation, which objection or request for estimation has not been withdrawn or determined by a Final Order.

1.1.52 Distributable Cash means an amount in Cash equal to (a) the Distributable Cash Pool less (b) the sum of (i) \$325 million and (ii) the amount of Cash estimated by the Debtors to be required to be distributed to Holders of Allowed Administrative Expense Claims (including fees paid pursuant to Section 9.1 of this Plan, any fees and expenses associated with the Exit Facility or any new indebtedness under Section 5.6 of this Plan, and cure costs required to be paid by the Debtors but excluding post-petition payables arising and paid in the ordinary course of business), Priority Tax Claims estimated to be payable at or in connection with the

Effective Date, DIP Facility Claims, Priority Non-Tax Claims, Claims arising from Employee Benefit Plans continuing with current employees, and cash required to be posted to cash collateralize outstanding letters of credit.

1.1.53 Distributable Cash Pool means an amount in Cash equal to (i) if the Average Distributable Cash is more than \$25 million greater than the Effective Date Cash, the Effective Date Cash plus \$25 million, or (ii) if the Average Distributable Cash is more than \$25 million less than the Effective Date Cash, the Effective Date Cash less \$25 million, or (iii) if the Average Distributable Cash is within \$25 million higher or lower than the Effective Date Cash, the Average Distributable Cash.

1.1.54 Distribution Date means any of the Initial Distribution Date, the Quarterly Distribution Date and the Final Distribution Date, but in no event a date prior to the Effective Date.

1.1.55 Distribution Record Date means the Confirmation Date or such other date as may be designated in the Confirmation Order.

1.1.56 DTC means The Depository Trust Company.

1.1.57 Effective Date means the first Business Day all of the conditions to the Effective Date specified in Section 10.1 of this Plan have been satisfied or waived in accordance with Section 10.2 of this Plan.

1.1.58 Effective Date Cash means an amount in Cash equal to the Available Cash balance of all of the Tribune Entities at the close of business on the Friday immediately preceding the Effective Date (or the immediately preceding Business Day if any such Friday is not a Business Day).

1.1.59 EGI-TRB LLC Noteholder means a Holder of EGI-TRB LLC Notes.

1.1.60 EGI-TRB LLC Notes means those certain promissory notes in the aggregate principal amount of \$225 million issued by Tribune in favor of EGI-TRB, L.L.C. and certain direct and indirect assignees of EGI-TRB, L.L.C.

1.1.61 EGI-TRB LLC Notes Claim means all Claims held by the EGI-TRB LLC Noteholders pursuant to the EGI-TRB LLC Notes.

1.1.62 EGI-TRB LLC Warrant means those certain 15-year warrants issued to EGI-TRB, L.L.C. and certain assignees evidencing rights to purchase 43,478,261 shares in the aggregate (subject to adjustment) of Old Common Stock.

1.1.63 Employee Benefit Claim means any Claim arising under or in connection with an assumed Employee Benefit Plan.

1.1.64 Employee Benefit Plan means any employment, compensation, tax-qualified or non-tax qualified Pension Plan, Defined Benefit Plan, Multiemployer Plan, healthcare, bonus, incentive compensation, sick leave and other leave, vacation pay, expense

reimbursement, dependent care, retirement, savings, workers compensation, life insurance, disability, dependent care, dependent healthcare, education, severance or other benefit plan or any individual contract or agreement that has not been rejected or terminated prior to the Confirmation Date for the benefit of the directors, officers or employees (whether salaried or hourly) of the applicable Debtor, or maintained by any Debtor for employees of non-Debtor direct or indirect subsidiaries of a Debtor, and any retiree benefit program of the applicable Debtor included in the protections of section 1114 of the Bankruptcy Code, in all cases that has been in existence and has accrued to a specific person before or on the Petition Date or has been approved or otherwise permitted by a Final Order of the Bankruptcy Court or is an ordinary course agreement, plan or program, provided that any of the foregoing involving any of the top twenty (20) executives of Tribune has been disclosed to the Creditors' Committee and the Senior Loan Agent; provided further, that the definition of "Employee Benefit Plan" excludes Non-Qualified Former Employee Benefit Plans and the ESOP.

1.1.65 Equity Incentive Plan means the equity incentive plan pertaining to the Reorganized Debtors described in Section 5.11 of this Plan.

1.1.66 Equity Incentive Pool means an amount of New Common Stock, which shall be disclosed prior to the hearing to approve the Disclosure Statement, if available at that time, or otherwise in the Plan Supplement and shall in either case be subject to the consent of the Senior Lender Settlement Committee, such consent not to be unreasonably withheld.

1.1.67 ESOP means, individually or collectively, the Tribune Employee Stock Ownership Plan and the Tribune Employee Stock Ownership Trust and any related documents and agreements, as the context implies.

1.1.68 Estate(s) means, individually or collectively, the estate or estates of the Debtors created under section 541 of the Bankruptcy Code.

1.1.69 Exhibit means an exhibit annexed to this Plan.

1.1.70 Exit Facility Credit Agreement means the definitive agreement relating to the Exit Facility, the terms of which shall be filed as Exhibit 5.10 with the Plan Supplement.

1.1.71 Exit Facility means a new revolving credit facility, if any, as described in Exhibit 5.10 filed with the Plan Supplement, providing for loans and other extensions of credit in an aggregate amount up to \$300 million, with a letter of credit sub-facility of up to \$100 million, which may be entered into by Reorganized Tribune and certain of the other Reorganized Debtors and U.S. Subsidiary Non-Debtors on the Effective Date.

1.1.72 Face Amount means (a) when used in reference to a Disputed Claim, (i) the full stated amount claimed by the Holder of such Claim in any Proof of Claim timely filed with the Bankruptcy Court or otherwise deemed timely filed by any Final Order of the Bankruptcy Court or other applicable bankruptcy law, (ii) the full stated amount listed on the pertinent Debtor's schedules as disputed, contingent or unliquidated if no contrary or superseding Proof of Claim or an objection to the Claim has been filed, or (iii) if no stated amount is included in the Proof of Claim or the pertinent Debtor's schedules with respect to a

disputed, contingent or unliquidated claim, then an amount determined by the pertinent Debtor, and (b) when used in reference to an Allowed Claim, the Allowed amount of such Claim.

1.1.73 FCC means the Federal Communications Commission or any other federal agency succeeding to its jurisdiction.

1.1.74 FCC Applications means, collectively, each application to be filed with the FCC in connection with this Plan, including those filed in connection with the assignment and/or transfer of control of FCC Licenses from the Debtors to the Reorganized Debtors and any other FCC applications necessary to complete the Restructuring Transactions.

1.1.75 FCC Approval means an action or actions by the FCC (including any action or actions taken by the FCC's staff pursuant to delegated authority and regardless of whether any action or actions may be subject to further administrative or judicial review) on the FCC Applications granting any consent of the FCC necessary to consummate the assignment and/or transfer of control of FCC Licenses from the Debtors to the Reorganized Debtors and/or otherwise necessary to implement this Plan.

1.1.76 FCC Licenses means broadcasting and other licenses, authorizations, waivers and permits that are issued from time to time by the FCC.

1.1.77 Filed Subsidiary Debtors means, individually or collectively, the Debtors listed on Appendix A hereto.

1.1.78 Final DIP Order means the Final Order Pursuant to Sections 105, 362(d), 363(b)(1), 363(f), 363(m), 364(c)(1), 364(c)(2), 364(c)(3), 364(d), 364(e), and 365 of the Bankruptcy Code (1) Authorizing the Debtors to Guarantee an Amended Securitization Facility and For Certain Debtors to Continue Selling Receivables and Related Rights Pursuant Thereto, (2) Authorizing the Debtors to Enter Into a Letter of Credit Facility, (3) Modifying the Automatic Stay and (4) Granting Other Related Relief, as entered on January 15, 2009 [D.I. 233], as the same has been and may be amended, modified or supplemented from time to time, together with any modifications and amendments thereto, including, without limitation, the Order Authorizing Debtors to Amend Letter of Credit Facility Pursuant to Sections 105, 362(d), 363(b)(1), 364(c)(1), 364(c)(2), 364(c)(3), 364(d), 364(e) and 365 of the Bankruptcy Code and Granting Other Related Relief, as entered on March 22, 2010 [D.I. 3808].

1.1.79 Final Distribution Date means a date selected by the Reorganized Debtors that is no later than thirty (30) days after the date that all Disputed Claims in the applicable Class(es) shall have been Allowed or Disallowed.

1.1.80 Final Order means an order or judgment of the Bankruptcy Court (or other court of competent jurisdiction) entered by the Clerk of the Bankruptcy Court on the docket in the Chapter 11 Cases (or on the docket of any other court of competent jurisdiction), which has not been reversed, vacated or stayed and as to which (a) the time to appeal, petition for certiorari or move for a new trial, reargument or rehearing has expired and as to which no appeal, petition for certiorari or other proceedings for a new trial, reargument or rehearing shall then be pending, or (b) if an appeal, writ of certiorari, new trial, reargument or rehearing thereof has been sought, such order or judgment of the Bankruptcy Court shall have been affirmed by the highest court to

which such order was appealed, or certiorari shall have been denied or a new trial, reargument or rehearing shall have been denied or resulted in no modification of such order, and the time to take any further appeal, petition for certiorari or move for a new trial, reargument or rehearing shall have expired; provided, however, that the possibility that a motion under Rule 59 or Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules, may be filed relating to such order, shall not cause such order not to be a Final Order.

1.1.81 Foreign Ownership Certification means the certification of aggregate foreign voting interests and aggregate foreign equity interests that each Holder of a Claim, other than a Senior Noteholder Claim, that is eligible to receive New Common Stock under this Plan must provide and that Holders of Senior Noteholder Claims will be entitled to provide.

1.1.82 General Unsecured Claim means any Claim against the Debtors that is not an Administrative Expense Claim, a DIP Facility Claim, a Priority Tax Claim, a Priority Non-Tax Claim, an Other Secured Claim, a Senior Loan Claim, a Bridge Loan Claim, a Senior Noteholder Claim, a Convenience Claim, an EGI-TRB LLC Notes Claim, a PHONES Notes Claim, an Employee Benefit Claim, an Intercompany Claim, a Securities Litigation Claim, a Senior Loan Guaranty Claim or a Bridge Loan Guaranty Claim and shall not include Disallowed Claims or Claims that are released, whether by operation of law or pursuant to order of the Bankruptcy Court, written release or settlement, the provisions of this Plan or otherwise.

1.1.83 Global Contract Motion means a motion seeking the assumption or rejection of unassumed or unrejected executory contracts and unexpired leases of the Debtors, which motion may be filed with the Bankruptcy Court and heard at the Confirmation Hearing.

1.1.84 Global Settlement has the meaning set forth in Section 5.14.2 hereto.

1.1.85 Guarantor Debtors means those Debtors listed on Appendix A hereto as “Guarantor Debtors”.

1.1.86 Guarantor Non-Debtor Release means the release by all Holders of Loan Guaranty Claims against the Guarantor Non-Debtors on the Effective Date (a) releasing the Guarantor Non-Debtors from any and all Senior Loan Guaranty Claims and Bridge Loan Guaranty Claims and (b) releasing the Senior Loan Agent and Bridge Loan Agent, respectively, from any and all claims, obligations, suits, judgments, damages, rights, causes of action and liabilities of any nature whatsoever as a result of the release of the Guarantor Non-Debtors from any and all Senior Loan Guaranty Claims and Bridge Loan Guaranty Claims.

1.1.87 Guarantor Non-Debtors means those non-Debtors listed on Appendix B hereto as “Guarantor Non-Debtors”.

1.1.88 Holder means a Person holding a Claim or Interest.

1.1.89 Holder Released Claims has the meaning set forth in Section 11.2.2 of this Plan.

1.1.90 Impaired means “impaired” within the meaning of section 1124 of the Bankruptcy Code.

1.1.91 Indemnified Creditor Parties has the meaning set forth in Section 11.7.2 of this Plan.

1.1.92 Indemnified Part(ies) has the meaning set forth in Section 11.7.2 of this Plan.

1.1.93 Indemnity, Subrogation and Contribution Agreements means (a) the Indemnity, Subrogation and Contribution Agreement, dated as of December 20, 2007, among Tribune, each of the subsidiaries of Tribune listed on Schedule I thereto, and the Bridge Loan Agent, as amended, restated, supplemented or otherwise modified from time to time, and (b) the Indemnity, Subrogation and Contribution Agreement, dated as of December 20, 2007, among Tribune, each of the subsidiaries of Tribune listed on Schedule I thereto, and the Senior Loan Agent, as amended, restated, supplemented or otherwise modified from time to time.

1.1.94 Indentures means the Senior Notes Indentures and the PHONES Notes Indenture.

1.1.95 Indenture Trustees means the Senior Notes Indenture Trustees and the PHONES Notes Indenture Trustee.

1.1.96 Initial Distribution Date means a date selected by the Reorganized Debtors that is as soon as practicable following the Effective Date and is not later than thirty (30) days after the Effective Date.

1.1.97 Initial Report has the meaning set forth in Section 9.2 hereto.

1.1.98 Intercompany Claims means all prepetition Claims against any of the Debtors held by a Debtor or a non-Debtor Affiliate.

1.1.99 Interest means any share of common stock, preferred stock or other instrument evidencing an ownership interest in any of the Debtors, whether or not transferable, and any option, warrant or right, contractual or otherwise, to acquire any such interest in a Debtor that existed immediately prior to the Effective Date, including, but not limited to, any Tribune Interest and Interest in a Subsidiary Debtor.

1.1.100 Law Debenture means Law Debenture Trust Company of New York, not personally but solely in its capacity as successor indenture trustee under that certain Indenture, dated as of March 19, 1996, as amended, restated or otherwise modified from time to time, between Tribune and Law Debenture Trust Company of New York.

1.1.101 LBO-Related Causes of Action means any and all claims, causes of action, avoidance powers or rights, and legal or equitable remedies against any Person arising from any transaction related to the leveraged buy-out of Tribune that occurred in 2007, including, without limitation, the purchase by Tribune of its common stock on or about June 4, 2007, the merger and related transactions involving Tribune on or about December 20, 2007, and any financing committed to, incurred or repaid in connection with any such transaction, regardless of whether such claims, causes of action, avoidance powers or rights, or legal or

equitable remedies may be asserted pursuant to the Bankruptcy Code or any other applicable law.

1.1.102 Lien means, with respect to any interest in property, any mortgage, lien, pledge, charge, security interest, easement or encumbrance of any kind whatsoever affecting such interest in property.

1.1.103 Litigation Claims means the claims, rights of action, suits or proceedings, whether in law or in equity, whether known or unknown, including, without limitation, the Morgan Stanley Claims (unless settled on or prior to the Effective Date), that any Debtor or Estate may hold against any Person as of the Petition Date; provided, however, Litigation Claims shall not include (a) any claim, right of action, suit or proceeding that has been settled on or prior to the Effective Date, (b) the LBO-Related Causes of Action and (c) other claims, rights of action, suits or proceedings waived or released pursuant to Article XI of this Plan.

1.1.104 Loan Agents means the Senior Loan Agent and the Bridge Loan Agent.

1.1.105 Loan Agreements means the Senior Loan Agreement and the Bridge Loan Agreement.

1.1.106 Loan Claims means the Senior Loan Claims, the Bridge Loan Claims and the Barclays Swap Claims.

1.1.107 Loan Guaranty Agreements means the Senior Loan Guaranty Agreement, the Bridge Loan Guaranty Agreement and the Indemnity, Subrogation and Contribution Agreements.

1.1.108 Loan Guaranty Claims means the Senior Loan Guaranty Claims and the Bridge Loan Guaranty Claims.

1.1.109 Media Ownership Certification means the certification of other media investments and holdings, and any other information that the Debtors deem reasonably necessary for purposes of the FCC Applications and/or FCC Approval, including, without limitation, on FCC qualifications to hold an attributable interest in the Reorganized Debtors under FCC rules and policies that each Holder that is entitled to receive New Common Stock under this Plan may be required to provide.

1.1.110 Morgan Stanley Claims means the claims, rights of action, suits or proceedings, whether in law or in equity, whether known or unknown, and including any and all rights, claims and actions (including avoidance actions arising under chapter 5 of the Bankruptcy Code) that Tribune or any of its Affiliates may have against MSCS arising from or related to (a) the acquisition, sale or disposition of any notes, bonds or other indebtedness held by MSCS or (b) the interest rate swap transaction executed pursuant to the ISDA Master Agreement dated as of August 5, 1994 (as subsequently amended and together with any schedules, exhibits and confirmations) between The Times Mirror Company and MSCS and any set-offs of claims arising from such interest rate swap transaction.

1.1.111 MSCS means Morgan Stanley Capital Services Inc. and its Affiliates and Related Persons of such entities.

1.1.112 Multiemployer Plan means a plan (i) to which more than one employer is required to contribute, (ii) which is maintained pursuant to one or more collective bargaining agreements between one or more employee organizations and more than one employer, and (iii) which satisfies such other requirements contained in regulations promulgated by the United States Department of Labor.

1.1.113 New Class A Common Stock means the Class A Common Stock to be issued by Reorganized Tribune in connection with the implementation of, and as authorized by, this Plan, which shall have the powers, preferences and rights and be subject to the limitations, qualifications and restrictions, in each case as set forth in the Certificate of Incorporation.

1.1.114 New Class B Common Stock means the Class B Common Stock to be issued by Reorganized Tribune in connection with the implementation of, and as authorized by, this Plan, which shall have the powers, preferences and rights and be subject to the limitations, qualifications and restrictions, in each case as set forth in the Certificate of Incorporation.

1.1.115 New Common Stock means, collectively, the New Class A Common Stock and the New Class B Common Stock; provided that, under the circumstances set forth in Section 5.4.2 of this Plan, certain Holders of Claims that would otherwise be entitled to receive New Class A Common Stock or New Class B Common Stock may instead receive New Warrants.

1.1.116 New Senior Secured Term Loan means the new senior secured term loan in an aggregate principal amount of up to two times the Debtors' trailing twelve month EBITDA (as defined in the New Senior Secured Term Loan Agreement) as of the end of the fiscal quarter most recently ended prior to the Effective Date, which, subject to the terms of Section 5.6 of this Plan, may be issued on the Effective Date by Reorganized Tribune pursuant to the New Senior Secured Term Loan Agreement, or may be replaced in whole or in part with a distribution of Cash pursuant to and in accordance with Section 5.6.2 of this Plan.

1.1.117 New Senior Secured Term Loan Agreement means the loan agreement among Reorganized Tribune, as borrower, the other Reorganized Debtors and U.S. Subsidiary Non-Debtors as provided in and subject to Section 5.6 of this Plan (including, without limitation, the Guarantor Non-Debtors and any successors to the Reorganized Debtors after giving effect to the Restructuring Transactions), as guarantors, the administrative agent party thereto, and the Holders of Claims entitled to receive the New Senior Secured Term Loan under this Plan, which shall be substantially in the form attached to this Plan as Exhibit 5.6 and filed with the Plan Supplement.

1.1.118 New Warrant Agreement means the warrant agreement in substantially the form attached as Exhibit 1.1.118 to this Plan and filed with the Plan Supplement.

1.1.119 New Warrants means the warrants to purchase New Class A Common Stock or New Class B Common Stock to be issued by Reorganized Tribune in connection with the implementation of, and as authorized by, this Plan.

1.1.120 Non-Guarantor Debtors means those Debtors listed on Appendix A hereto as “Non-Guarantor Debtors”.

1.1.121 Non-Guarantor Non-Debtors means those non-Debtors listed on Appendix B hereto as “Non-Guarantor Non-Debtors”.

1.1.122 Non-Qualified Former Employee Benefit Plan means any of the Debtors’ non-tax qualified Pension Plans and individual agreements providing for retirement compensation, or deferred compensation arrangements of the applicable Debtor covering an individual who was not an employee, consultant or director of the applicable Debtor as of the Petition Date or who was identified to the Creditors Committee and the Senior Loan Agent.

1.1.123 Non-Released Parties means any Person (including, without limitation, any Holder of a Claim or Interest that has elected not to grant the releases contained in Section 11.2.2 of this Plan) other than (a) the Released Parties and (b) Persons who have otherwise been granted a release pursuant to the provisions of this Plan.

1.1.124 Old Common Stock means the issued and outstanding common stock of Tribune as of the Petition Date.

1.1.125 Other Parent Claims means General Unsecured Claims against Tribune and for the avoidance of doubt includes all Claims against Tribune under Non-Qualified Former Employee Benefit Plans with the exception of Convenience Claims.

1.1.126 Other Parent Claims Allocation means 35.18% of the aggregate amount in U.S. dollars of all Allowed Other Parent Claims, comprised of New Senior Secured Term Loan, Distributable Cash and New Common Stock in the same ratio as the distribution to Holders of Allowed Senior Noteholder Claims.

1.1.127 Other Parent Claims Reserve means one or more reserves of Cash established for the benefit of Allowed Other Parent Claims pursuant to Section 7.2.1(a) of this Plan.

1.1.128 Other Secured Claim means a Secured Claim, other than an Administrative Expense Claim, a DIP Facility Claim, a Senior Loan Claim (other than a right to setoff) or a Senior Noteholder Claim (other than a right to setoff).

1.1.129 Pension Plan means an employee pension benefit plan within the meaning of section (2)(A) of the Employee Retirement Income Security Act of 1974, as amended, but excludes Multiemployer Plans.

1.1.130 Person means an individual, corporation, partnership, association, joint stock company, joint venture, limited liability company, limited liability partnership, trust, estate, unincorporated organization or other entity, or any government, governmental agency or any subdivision, department or other instrumentality thereof.

1.1.131 Petition Date means (i) for Tribune and for all Debtors listed on Appendix A to this Plan other than Tribune CNLBC, LLC, December 8, 2008, the date on which

such Debtors commenced their Chapter 11 Cases, (ii) for Tribune CNLBC, LLC, October 12, 2009, the date on which such Debtor commenced its Chapter 11 Case, and (iii) with respect to the Subsidiary Non-Debtors, the date on which any such Subsidiary Non-Debtor commences its Chapter 11 Case, if any.

1.1.132 PHONES Noteholder(s) means, individually or collectively, the Holder(s) of a PHONES Notes Claim(s).

1.1.133 PHONES Notes means the issued and outstanding notes under the PHONES Notes Indenture.

1.1.134 PHONES Notes Claim means a Claim arising under or evidenced by the PHONES Notes Indenture and related documents.

1.1.135 PHONES Notes Indenture means that certain Indenture, dated as of April 1, 1999, between Tribune and Wilmington Trust Company, as successor indenture trustee, as amended, restated or otherwise modified from time to time.

1.1.136 PHONES Notes Indenture Trustee means the indenture trustee under the PHONES Notes Indenture.

1.1.137 Plan means this chapter 11 plan of reorganization for the Debtors in the Chapter 11 Cases and the Non-Guarantor Non-Debtors, if any, that become Debtors and the Prepackaged Plan for the Guarantor Non-Debtors, if any, that become Debtors, including Exhibits and all supplements, appendices and schedules hereto, either in their present form or as the same may be altered, amended or modified from time to time in accordance with the provisions of the Bankruptcy Code and the terms hereof.

1.1.138 Plan Supplement means the supplement to this Plan filed with the Bankruptcy Court not later than ten (10) calendar days prior to the deadline established for objecting to confirmation of this Plan.

1.1.139 Pledge Agreement means the Pledge Agreement, dated as of June 4, 2007, between Tribune and the Senior Loan Agent, as amended, restated, supplemented or otherwise modified from time to time.

1.1.140 Prepackaged Plan means this Plan for the Guarantor Non-Debtors, if any, that become Debtors.

1.1.141 Priority Non-Tax Claims means any Claim other than an Administrative Expense Claim or a Priority Tax Claim that is entitled to priority in payment as specified in section 507(a) of the Bankruptcy Code.

1.1.142 Priority Tax Claim means any Claim of a governmental unit of the kind entitled to priority in payment as specified in sections 502(i) and 507(a)(8) of the Bankruptcy Code.

1.1.143 Proof of Claim or Proof of Interest means the proof of claim or proof of interest, respectively, that must be filed by a Holder of a Claim or Interest by the date(s) designated by the Bankruptcy Court as the last date(s) for filing proofs of claim or interests against the Debtors, or as is otherwise permitted to be filed against any of the Debtors pursuant to a Final Order of the Bankruptcy Court.

1.1.144 Pro Rata means that proportion that an Allowed Claim or an Allowed Interest in a particular Class bears to the aggregate amount of all Allowed Claims or Allowed Interests in such Class except in cases where Pro Rata is used in reference to multiple Classes, in which case Pro Rata means the proportion that an Allowed Claim or Allowed Interest in a particular Class bears to the aggregate amount of all Allowed Claims or Allowed Interests in such multiple Classes, or in reference to a specific type of Claim, in which case Pro Rata means the proportion that an Allowed Claim of such type bears to the aggregate amount of all Allowed Claims of such type.

1.1.145 Quarterly Distribution Date means fifteen (15) calendar days after the conclusion of the calendar quarters ending in March, June, September and December.

1.1.146 Reinstated or Reinstatement means (a) leaving unaltered the legal, equitable and contractual rights to which a Claim or Interest entitles the Holder of such Claim or Interest, or (b) notwithstanding any contractual provision or applicable law that entitles the Holder of such Claim or Interest to demand or receive accelerated payment of such Claim or Interest after the occurrence of a default, (i) curing any such default whether or not such default occurred before or after the Petition Date, other than a default of a kind specified in section 365(b)(2) of the Bankruptcy Code or of a kind that section 365(b)(2) of the Bankruptcy Code expressly does not require to be cured; (ii) reinstating the maturity of such Claim or Interest as such maturity existed before such default; (iii) compensating the Holder of such Claim or Interest for any damages incurred as a result of any reasonable reliance by such Holder on such contractual provision or such applicable law; (iv) if such Claim or Interest arises from any failure to perform a nonmonetary obligation other than a default arising from failure to operate a nonresidential real property lease subject to section 365(b)(1)(A) of the Bankruptcy Code, compensating the Holder of such Claim or Interest (other than a Debtor or an insider) for any actual pecuniary loss incurred by such Holder as a result of such failure; and (v) not otherwise altering the legal, equitable or contractual rights to which such Claim or Interest entitles the Holder of such Claim or Interest.

1.1.147 Related Person means, with respect to any Person, such Person's predecessors, successors and assigns (whether by operation of law or otherwise), and with respect to any of the foregoing their respective present and former Affiliates and each of their respective current and former members, partners, shareholders, equity-holders, officers, directors, employees, managers, trustees, trust beneficiaries, financial advisors, attorneys, accountants, investment bankers, consultants, agents and professionals, or other representatives, nominees or investment managers for beneficial owner(s) of the Senior Notes, each acting in such capacity, and any Person claiming by or through any of them (including their respective officers, directors, managers, trustees, trust beneficiaries, shareholders, partners, employees, members and professionals).

1.1.148 Released Claims means the Debtor Released Claims and the Holder Released Claims.

1.1.149 Released Parties means each of (a) the Debtors, their non-Debtor Affiliates including the Subsidiary Non-Debtors and the Reorganized Debtors, (b) the Creditors' Committee, in such capacity, and its present and former members, in their capacity as members of the Creditors' Committee, (c) the Senior Lenders, the Senior Loan Agent, the Senior Lender Steering Committee, the Senior Lender Settlement Committee, the Bridge Lenders, the Bridge Loan Agent, in each case in all of their respective capacities, (d) the EGI-TRB LLC Noteholders and the holders of the EGI-TRB LLC Warrant, (e) Centerbridge, the Senior Noteholders, and the Senior Notes Indenture Trustees and (f) all of the respective Related Persons to each of the foregoing parties; provided, however, in each case only if the applicable party has not returned a Ballot opting out of the releases in Section 11.2.2 of the Plan and, if entitled to vote on the Plan, has voted to accept the Plan.

1.1.150 Reorganized Debtors means Reorganized Tribune and the other reorganized Debtors or any successors thereto by merger, consolidation or otherwise, on or after the Effective Date, after giving effect to the transactions occurring on or prior to the Effective Date in accordance with this Plan (including, without limitation, the Restructuring Transactions).

1.1.151 Reorganized Tribune means reorganized Tribune or any successors thereto by merger, consolidation or otherwise, on or after the Effective Date, after giving effect to the transactions occurring on or prior to the Effective Date in accordance with this Plan.

1.1.152 Restructuring Transactions means those transactions or other actions (including, without limitation, mergers, consolidations, conversions, joint ventures, restructurings, recapitalizations, dispositions, liquidations or dissolutions) that one or more of the applicable Debtors or Reorganized Debtors may enter into or undertake on, prior to, or after the Effective Date outside the ordinary course of business of such Debtors or Reorganized Debtors in accordance with Section 5.2 hereof and as shall be set forth in the Plan Supplement.

1.1.153 Retiree Claimants means those Holders of Claims under Non-Qualified Former Employee Benefit Plans that are parties to the Retiree Claimant Settlement Agreement.

1.1.154 Retiree Claimant Settlement Agreement means that certain settlement agreement by and among Tribune and certain Retiree Claimants attached hereto as Exhibit 5.14.3 and filed with the Plan Supplement.

1.1.155 Secured Claim means a Claim (a) secured by a Lien on collateral to the extent of the value of such collateral (i) as set forth in this Plan, (ii) as agreed to by the Holder of such Claim and the Debtors, which agreement is approved or otherwise permitted by a Final Order of the Bankruptcy Court or is an ordinary course agreement, or (iii) as determined by a Final Order in accordance with section 506(a) of the Bankruptcy Code, or (b) that is subject to setoff under section 553 of the Bankruptcy Code, to the extent of such setoff.

1.1.156 Securities Litigation Claim means any Claim against any of the Debtors, except any Claim that survives confirmation and effectiveness of this Plan pursuant to Section 11.6, (i) arising from the rescission of a purchase or sale of shares, notes or any other securities

of any of the Debtors or an Affiliate of any of the Debtors, (ii) for damages arising from the purchase or sale of any such security, (iii) for violations of the securities laws or the Employee Retirement Income Security Act of 1974 or for misrepresentations or any similar Claims related to the foregoing or otherwise subject to subordination under section 510(b) of the Bankruptcy Code, (iv) asserted by or on behalf of the ESOP and/or any present or former participants in the ESOP in their capacity as such, (v) for attorneys' fees, other charges or costs incurred on account of any of the foregoing Claims, and (vi) for reimbursement, contribution or indemnification allowed under section 502 of the Bankruptcy Code on account of any of the foregoing Claims, including Claims based upon allegations that the Debtors made false and misleading statements or engaged in other deceptive acts in connection with the offer or sale of securities.

1.1.157 Senior Lender Fee/Expense Claims means all accrued and unpaid amounts for the reasonable and documented fees, costs and expenses of the Senior Lender Professionals incurred in connection with the Chapter 11 Cases.

1.1.158 Senior Lender Professionals means the professionals for the Senior Loan Agent and Angelo Gordon.

1.1.159 Senior Lenders means the lenders from time to time party to the Senior Loan Agreement as Lenders thereunder, including former lenders and any applicable assignees and participants thereof.

1.1.160 Senior Lender Settlement Committee means a committee comprised of Senior Lenders that become party to the Settlement Support Agreement prior to the commencement of the hearing to approve the Disclosure Statement.

1.1.161 Senior Lender Settlement Fee/Expense Claims means amounts incurred in connection with the Chapter 11 Cases on the Petition Date through and including the Effective Date for the reasonable and documented fees, costs and expenses of the legal advisors for the Senior Lenders that become party to the Settlement Support Agreement prior to the Disclosure Statement hearing.

1.1.162 Senior Lender Steering Committee means that certain informal steering committee of certain Senior Lenders selected by the Senior Loan Agent and each member and former member thereof.

1.1.163 Senior Loan Agent means JPMorgan Chase Bank, N.A. as administrative agent, and its Affiliates and Related Persons of such entities, and any successor administrative agent, under the Senior Loan Agreement.

1.1.164 Senior Loan Agreement means, collectively, (a) that certain Credit Agreement, dated as of May 17, 2007, among Tribune, the Senior Lenders, the Senior Loan Agent, Merrill Lynch Capital Corporation, as syndication agent, and Citicorp North America, Inc. and Bank of America, N.A., as co-documentation agents, as amended, restated, supplemented or otherwise modified from time to time and (b) those certain increase joinders, dated as of December 20, 2007, among Tribune, certain of the Senior Lenders and the Senior Loan Agent, as amended, restated, supplemented or otherwise modified from time to time.

1.1.165 Senior Loan Claim means a Claim arising under the Senior Loan Agreement, other than a Senior Lender Fee/Expense Claim, and any Claim of the Senior Lenders or the Senior Loan Agent arising under the Pledge Agreement.

1.1.166 Senior Loan Guaranty Agreement means the Guaranty Agreement, dated as of June 4, 2007, among Tribune, each of the subsidiaries of Tribune listed on Annex I thereto, and the Senior Loan Agent, as amended, restated, supplemented or otherwise modified from time to time.

1.1.167 Senior Loan Guaranty Claim means a Claim arising under the Senior Loan Guaranty Agreement, including, without limitation, the guaranty of the Barclays Swap Claim.

1.1.168 Senior Noteholder Claims means all Claims arising under or evidenced by the Senior Notes Indentures and related documents and any Claim of the Senior Noteholders arising under the Pledge Agreement.

1.1.169 Senior Noteholder Fee/Expense Claims means the reasonable and documented fees, costs and expenses of the legal and financial advisors for Law Debenture and Centerbridge incurred in connection with the Chapter 11 Cases.

1.1.170 Senior Noteholder(s) means, individually or collectively, the Holder(s) of a Senior Noteholder Claim(s).

1.1.171 Senior Notes means the eight series of notes issued and outstanding under the Senior Notes Indentures.

1.1.172 Senior Notes Indenture(s) means, individually or collectively:

(a) that certain Indenture, dated as of January 1, 1997, between Tribune and Deutsche Bank Trust Company Americas, as successor indenture trustee, as amended, restated or otherwise modified from time to time;

(b) that certain Indenture, dated as of March 19, 1996, between Tribune and Law Debenture Trust Company of New York, as successor indenture trustee, as amended, restated or otherwise modified from time to time;

(c) that certain Indenture, dated as of January 30, 1995, between Tribune and Deutsche Bank Trust Company Americas, as successor indenture trustee, as amended, restated or otherwise modified from time to time; and

(d) that certain Indenture, dated as of March 1, 1992, between Tribune and Deutsche Bank Trust Company Americas, as successor indenture trustee, as amended, restated or otherwise modified from time to time.

1.1.173 Senior Notes Indenture Trustee(s) means, individually or collectively, the indenture trustees under the Senior Notes Indentures as of the Effective Date

1.1.174 Settlement Support Agreement means that certain Settlement Support Agreement, dated as of April 8, 2010, by and among those parties listed on the signature pages thereto and any parties that may sign joinders thereto, as may be amended, supplemented and modified in accordance with the terms thereof.

1.1.175 Subsidiary Debtors means, individually or collectively, the Filed Subsidiary Debtors, and such Subsidiary Non-Debtors, if any, that become Debtors prior to the Confirmation Date.

1.1.176 Subsidiary GUC Reserve means one or more reserves, if any, of Cash that may be established for the benefit of Allowed General Unsecured Claims against the Filed Subsidiary Debtors pursuant to Section 7.2.2 of this Plan.

1.1.177 Subsidiary Non-Debtors means those entities listed on Appendix B hereto.

1.1.178 Tribune means Tribune Company, a Debtor in the Chapter 11 Cases.

1.1.179 Tribune Entities means, collectively, the Debtors and the Subsidiary Non-Debtors.

1.1.180 Tribune Interest means any shares of Old Common Stock, preferred stock or other instrument evidencing an ownership interest in Tribune, whether or not transferable, and any options, warrants (including, without limitation, the EGI-TRB LLC Warrants), calls, rights, puts, awards, commitments, repurchase rights, unvested or unexercised stock options, unvested common stock, unvested preferred stock or any other agreements of any character related to the Old Common Stock, but does not include the Securities Litigation Claims.

1.1.181 Unimpaired means with respect to a Claim or Interest that such Claim or Interest is not Impaired including, without limitation, as a result of being Reinstated under this Plan.

1.1.182 Voting Deadline means the deadline established by the Bankruptcy Court for returning Ballots.

1.2 Rules of Interpretation.

For purposes of this Plan, unless otherwise provided herein: (a) whenever from the context it is appropriate, each term, whether stated in the singular or the plural, will include both the singular and the plural; (b) unless otherwise provided in this Plan, any reference in this Plan to a contract, instrument, release, or other agreement or document attached as an Exhibit to this Plan being in a particular form or on particular terms and conditions means that such document will be substantially in such form or substantially on such terms and conditions; (c) any reference in this Plan to an existing document, schedule or Exhibit filed or to be filed means such document, schedule or Exhibit, as it may have been or may be amended, modified, or supplemented pursuant to this Plan; (d) any reference to a Person as a Holder of a Claim or Interest includes that Person's successors and assigns; (e) all references in this Plan to Sections,

Articles and Appendices are references to Sections, Articles and Appendices of or to this Plan or the Plan Supplement, as the same may be amended, waived or modified from time to time; (f) the words “herein,” “hereof,” “hereto,” “hereunder” and other words of similar import refer to this Plan as a whole and not to any particular Section, subsection or clause contained in this Plan; (g) captions and headings to Articles and Sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of this Plan; (h) subject to Section 13.12 and the provisions of any contract, certificates or articles of incorporation, by-laws, certificates of formation, limited liability company agreements, partnership agreements, instruments, releases, or other agreements or documents entered into in connection with this Plan, the rights and obligations arising under this Plan shall be governed by, and construed and enforced in accordance with, federal law, including the Bankruptcy Code and Bankruptcy Rules; (i) the rules of construction set forth in section 102 of the Bankruptcy Code will apply; and (j) the term “including” shall be construed to mean “including, but not limited to,” “including, without limitation,” or words of similar import.

1.3 Computation of Time.

In computing any period of time prescribed or allowed by this Plan, unless otherwise expressly provided, the provisions of Bankruptcy Rule 9006(a) shall apply. In the event that any payment, distribution, act or deadline under this Plan is required to be made or performed or occurs on a day that is not a Business Day, then the making of such payment or distribution, the performance of such act or the occurrence of such deadline shall be deemed to be on the next succeeding Business Day, but if so made, performed or completed by such next succeeding Business Day shall be deemed to have been completed or to have occurred as of the required date.

1.4 Exhibits and Plan Supplement.

All Exhibits, as well as the Plan Supplement, are incorporated into and are a part of this Plan as if set forth in full herein, and, to the extent not annexed hereto, such Exhibits and Plan Supplement shall be timely filed in accordance with this Plan. Holders of Claims and Interests may obtain a copy of the filed Exhibits and Plan Supplement upon written request to the Debtors. Upon their filing, the Exhibits and Plan Supplement may be inspected in the office of the clerk of the Bankruptcy Court or its designee during normal business hours. The documents contained in the Exhibits and Plan Supplement shall be approved by the Bankruptcy Court pursuant to the Confirmation Order.

1.5 Deemed Acts.

Whenever an act or event is expressed under this Plan to have been deemed done or to have occurred, it shall be deemed to have been done or to have occurred without any further act by any party, by virtue of this Plan and the Confirmation Order.

ARTICLE II: TREATMENT OF ADMINISTRATIVE AND PRIORITY TAX CLAIMS

In accordance with section 1123(a)(1) of the Bankruptcy Code, DIP Facility Claims, Administrative Expense Claims and Priority Tax Claims have not been classified and thus are excluded from the Classes of Claims and Interests set forth in Article III.

2.1 DIP Facility Claims.

On or as soon as reasonably practicable after the Effective Date, in full satisfaction, settlement, release, and discharge of and in exchange for each Allowed DIP Facility Claim, the Reorganized Debtors shall pay Allowed DIP Facility Claims in full in Cash. In addition, on the Effective Date, any unexpired letters of credit outstanding under the DIP Facility shall be, at Tribune's option, (i) returned to the issuer undrawn and marked canceled, (ii) collateralized with Cash in an amount equal to 105% of the face amount of such outstanding letter of credit in form and substance acceptable to the issuer thereof, (iii) collateralized with back-to-back letters of credit issued under the Exit Facility in an amount equal to 105% of the face amount of such outstanding letter of credit, in form and substance acceptable to the issuer thereof, or (iv) otherwise deemed to be subject to reimbursement pursuant to the terms and conditions of the Exit Facility.

2.2 Administrative Expense Claims.

Subject to the provisions of sections 328, 330, 331 and 503(b) of the Bankruptcy Code, in full satisfaction, settlement, release and discharge of and in exchange for each Allowed Administrative Expense Claim, except to the extent that any Holder of an Allowed Administrative Expense Claim agrees to different treatment, or as otherwise provided for in the Plan, each Holder of an Allowed Administrative Expense Claim shall receive payment in full, in Cash, on the later of: (i) the Effective Date if due on or before that date, (ii) the date upon which such Administrative Expense Claim becomes an Allowed Claim, (iii) with respect to Allowed Administrative Expense Claims not yet due on the Effective Date or that represent obligations incurred by the Debtors in the ordinary course of their business during these Chapter 11 Cases, or assumed by the Debtors during these Chapter 11 Cases, such time as such Allowed Administrative Expense Claims are due in the ordinary course of business and in accordance with the terms and conditions of the particular agreements governing such obligations, or (iv) such other date as may be agreed upon between the Holder of such Allowed Administrative Expense Claim and the Debtors.

2.3 Priority Tax Claims.

Except to the extent that a Holder of an Allowed Priority Tax Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release and discharge of and in exchange for each Allowed Priority Tax Claim, each Holder of an Allowed Priority Tax Claim shall receive either, at the sole option of the Debtors or the Reorganized Debtors, (a) payment in full in Cash after such Priority Tax Claim becomes an Allowed Claim, (b) except as otherwise determined by the Bankruptcy Court at the Confirmation Hearing, regular installment payments in Cash equal to the Allowed amount of such Claim over a period ending not later than the fifth anniversary of the Petition Date, together with interest compounded annually from the Effective Date on any outstanding balance calculated at a rate determined under section 511 of the Bankruptcy Code, which installment payments shall commence after such Priority Tax Claim becomes an Allowed Claim, or (c) such other treatment as agreed to by the Holder of an Allowed Priority Tax Claim and the Debtors.

ARTICLE III: CLASSIFICATION AND TREATMENT OF CLASSIFIED CLAIMS AND INTERESTS

3.1 Summary of Classification and Treatment of Classified Claims and Interests.

3.1.1 General.

(a) Pursuant to sections 1122 and 1123 of the Bankruptcy Code, Claims and Interests are classified for all purposes, including, without express or implied limitation, voting, confirmation and distribution pursuant to this Plan, as set forth herein. A Claim or Interest shall be deemed classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of that Class, and shall be deemed classified in a different Class to the extent that any remainder of such Claim or Interest qualifies within the description of such different Class. A Claim or Interest is in a particular Class only to the extent that such Claim or Interest is Allowed in that Class and has not been paid or otherwise satisfied prior to the Effective Date.

(b) This Plan constitutes a separate chapter 11 plan of reorganization for each Debtor. For purposes of brevity and convenience, the classification and treatment of Claims and Interests has been set forth in three groups: (i) Tribune (Debtor 1), (ii) Filed Subsidiary Debtors (Debtors 2 through 111) and (iii) any Guarantor Non-Debtors that become Debtors and participate in the Prepackaged Plan.

3.1.2 Identification of Classes Against Tribune (Debtor 1). The following chart assigns a letter to each Class against Tribune for purposes of identifying each separate Class:

<u>CLASS</u>	<u>CLAIM OR INTEREST</u>
A	Priority Non-Tax Claims
B	Other Secured Claims
C	Loan Claims
D	Senior Noteholder Claims
E	Other Parent Claims
F	Convenience Claims
I	EGI-TRB LLC Notes Claims
J	PHONES Notes Claims
K	Intercompany Claims
L	Securities Litigation Claims

M Tribune Interests

3.1.3 Identification of Classes Against Filed Subsidiary Debtors (Debtors 2 through 111). The following chart assigns a letter to each Class against the Filed Subsidiary Debtors for purposes of identifying each separate Class:

<u>CLASS</u>	<u>CLAIM OR INTEREST</u>
A	Priority Non-Tax Claims
B	Other Secured Claims
C	Loan Guaranty Claims
E	General Unsecured Claims
K	Intercompany Claims
L	Securities Litigation Claims
M	Interests in Filed Subsidiary Debtors

3.2 Classification and Treatment of Claims Against and Interests in Tribune Company (Debtor 1).

3.2.1 Class 1A – Priority Non-Tax Claims.

(a) Classification: Class 1A consists of all Priority Non-Tax Claims against Tribune.

(b) Treatment: Each Holder of an Allowed Priority Non-Tax Claim against Tribune shall have its Claim Reinstated.

(c) Voting: Allowed Claims in Class 1A are Unimpaired, and the Holders of Class 1A Claims are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of Class 1A Claims are not entitled to vote to accept or reject the Plan; provided, however, that all Class 1A Claims shall be subject to allowance or disallowance in whole or in part under the applicable provisions of the Plan, including, but not limited to, Article VIII.

3.2.2 Class 1B – Other Secured Claims.

(a) Classification: Class 1B consists of all Other Secured Claims against Tribune.

(b) Treatment: Each Holder of an Allowed Other Secured Claim against Tribune shall have its Claim Reinstated.

(c) Voting: Allowed Claims in Class 1B are Unimpaired, and the Holders of Class 1B Claims are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of Class 1B Claims are not entitled to vote to accept or reject the Plan; provided, however, that all Class 1B Claims shall be subject to allowance or disallowance in whole or in part under the applicable provisions of the Plan, including, but not limited to, Article VIII.

3.2.3 Class 1C – Loan Claims.

(a) Classification: Class 1C consists of all Loan Claims against Tribune.

(b) Allowance: The Senior Loan Claims shall be deemed Allowed in an aggregate amount equal to all amounts payable under the Senior Loan Agreement or the Pledge Agreement, other than the Senior Lender Fee/Expense Claims, including the full amount of principal, interest, and all other amounts due and owing under the Senior Loan Agreement and the Pledge Agreement as of the Petition Date. The Bridge Loan Claims shall be deemed Allowed in an aggregate amount equal to all amounts payable under the Bridge Loan Agreement, including the full amount of principal, interest, and all other amounts due and owing under the Bridge Loan Agreement as of the Petition Date. Neither the Senior Loan Claims nor the Bridge Loan Claims shall be subject to reduction, disallowance, subordination, set off or counterclaim.

(c) Treatment: On or as soon as practicable after the applicable Distribution Date, together with other distributions provided for in this Plan, in full satisfaction, settlement, release and discharge of and in exchange for Allowed Loan Claims against Tribune, subject to Section 5.4.2 herein, each Holder of an Allowed Loan Claim against Tribune shall receive a Pro Rata share of:

(i) 8.8% of the New Senior Secured Term Loan minus (A) the amount of the New Senior Secured Term Loan to be distributed to Holders of Allowed Claims in Class 1D and (B) the portion of the Other Parent Claims Allocation that is New Senior Secured Term Loan;

(ii) 8.8% of the Distributable Cash minus (A) the amount of the Distributable Cash to be distributed to Holders of Allowed Claims in Class 1D, (B) the portion of the Other Parent Claims Allocation that is Distributable Cash and (C) the amount of Cash to be distributed to Holders of Allowed Claims in Class 1F; and

(iii) 8.8% of the New Common Stock (subject to dilution by the Equity Incentive Plan) minus (A) the amount of the New Common Stock to be distributed to Holders of Allowed Claims in Class 1D and (B) the portion of the Other Parent Claims Allocation that is New Common Stock.

In addition, on the Effective Date, any unexpired letters of credit outstanding under the Senior Loan Agreement shall be either, at Tribune's option, (i) returned to

the issuer undrawn and marked canceled, (ii) collateralized with Cash in an amount equal to 105% of the face amount of such outstanding letter of credit in form and substance acceptable to the issuer thereof, or (iii) collateralized with back-to-back letters of credit issued under the Exit Facility in an amount equal to 105% of the face amount of such outstanding letter of credit, in form and substance acceptable to the issuer thereof.

(d) Voting: Claims in Class 1C are Impaired, and Holders of Class 1C Claims are entitled to vote to accept or reject the Plan.

3.2.4 Class 1D – Senior Noteholder Claims.

(a) Classification: Class 1D consists of all Senior Noteholder Claims against Tribune.

(b) Allowance: The Senior Noteholder Claims shall together be deemed Allowed in the aggregate amount of \$1,283,055,743.77. The Senior Noteholder Claims shall not be subject to reduction, disallowance, subordination, set off or counterclaim (other than the Senior Noteholder Claims of MSCS with respect to the Morgan Stanley Claims).

(c) Treatment: On or as soon as practicable after the applicable Distribution Date, in full satisfaction, settlement, release and discharge of and in exchange for Allowed Senior Noteholder Claims against Tribune, subject to Section 5.4.2 herein, each Holder of an Allowed Senior Noteholder Claim shall receive such Holder's Pro Rata share of 7.4% of the New Senior Secured Term Loan, 7.4% of the Distributable Cash, and 7.4% of the New Common Stock, subject to dilution by the Equity Incentive Plan.

(d) Voting: Claims in Class 1D are Impaired, and Holders of Class 1D Claims are entitled to vote to accept or reject the Plan

3.2.5 Class 1E – Other Parent Claims.

(a) Classification: Class 1E consists of all Other Parent Claims against Tribune.

(b) Treatment: On or as soon as practicable after the applicable Distribution Date, in full satisfaction, settlement, release and discharge of and in exchange for Allowed Other Parent Claims against Tribune, each Holder of an Allowed Other Parent Claim shall receive an amount of Distributable Cash equal to 35.18% of the aggregate amount in U.S. dollars of such Holder's Allowed Other Parent Claim.

(c) Voting: Claims in Class 1E are Impaired, and Holders of Class 1E Claims are entitled to vote to accept or reject the Plan.

3.2.6 Class 1F – Convenience Claims.

(a) Classification: Class 1F consists of all Convenience Claims against Tribune.

(b) Treatment: In full satisfaction, settlement, release and discharge of and in exchange for Allowed Convenience Claims against Tribune, on or as soon as practicable after the applicable Distribution Date, each Holder of an Allowed Convenience Claim against Tribune shall receive payment in full in Cash on account of such Claim; provided, however, that post-petition interest shall not be paid to any Holder on any Convenience Claim without regard to whether such amount has accrued for federal income tax purposes.

(c) Voting: Allowed Claims in Class 1F are Unimpaired, and the Holders of Class 1F Claims are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of Class 1F Claims are not entitled to vote to accept or reject the Plan; provided, however, that all Class 1F Claims shall be subject to allowance or disallowance in whole or in part under the applicable provisions of the Plan, including, but not limited to, Article VIII.

3.2.7 Class 1I – EGI-TRB LLC Notes Claims.

(a) Classification: Class 1I consists of all EGI-TRB LLC Notes Claims against Tribune.

(b) Treatment: On the Effective Date, all EGI-TRB LLC Notes Claims against Tribune shall be extinguished and Holders of such Claims shall not receive or retain any property under the Plan on account of such EGI-TRB LLC Notes Claims.

(c) Voting: Claims in Class 1I are Impaired, and Holders of Class 1I Claims are conclusively deemed to have rejected the Plan and are not entitled to vote to accept or reject the Plan.

3.2.8 Class 1J – PHONES Notes Claims.

(a) Classification: Class 1J consists of all PHONES Notes Claims against Tribune.

(b) Treatment: On the Effective Date, all PHONES Notes Claims against Tribune shall be extinguished and Holders of such Claims shall not receive or retain any property under the Plan on account of such PHONES Notes Claims.

(c) Voting: Claims in Class 1J are Impaired, and Holders of Class 1J Claims are conclusively deemed to have rejected the Plan and are not entitled to vote to accept or reject the Plan.

3.2.9 Class 1K – Intercompany Claims.

(a) Classification: Class 1K consists of all Intercompany Claims against Tribune.

(b) Treatment: In full satisfaction, settlement, release and discharge of and in exchange for Intercompany Claims against Tribune, except as otherwise provided herein,

all Intercompany Claims against Tribune shall be deemed satisfied, discharged and extinguished in full and shall be eliminated as of the Effective Date.

(c) Voting: Claims in Class 1K are Impaired; however, as set forth in Section 4.3, votes shall not be solicited from Holders of Claims in Class 1K.

3.2.10 Class 1L – Securities Litigation Claims.

(a) Classification: Class 1L consists of all Securities Litigation Claims against Tribune.

(b) Treatment: On the Effective Date, all Securities Litigation Claims against Tribune shall be extinguished and Holders of such Claims shall not receive or retain any property under the Plan on account of such Securities Litigation Claims.

(c) Voting: Claims in Class 1L are Impaired. Holders of Claims in Class 1L are conclusively deemed to have rejected the Plan and are not entitled to vote to accept or reject the Plan.

3.2.11 Class 1M – Tribune Interests.

(a) Classification: Class 1M consists of all Tribune Interests in Tribune.

(b) Treatment: On the Effective Date, all Tribune Interests in Tribune shall be extinguished and Holders of such Interests shall not receive or retain any property under the Plan on account of such Tribune Interests.

(c) Voting: Interests in Class 1M are Impaired. Holders of Interests in Class 1M are conclusively deemed to have rejected the Plan and are not entitled to vote to accept or reject the Plan.

3.3 Classification and Treatment of Claims Against and Interests in Filed Subsidiary Debtors (Debtors 2 through 111).

3.3.1 Classes 2A through 111A – Priority Non-Tax Claims.

(a) Classification: Classes 2A through 111A consist of all Priority Non-Tax Claims against the relevant Filed Subsidiary Debtors. The numerical portion of the Class designation corresponds to the applicable Debtor number on Appendix A hereto.

(b) Treatment: Each Holder of an Allowed Priority Non-Tax Claim against a Filed Subsidiary Debtor shall have such Claim Reinstated.

(c) Voting: Allowed Claims in Classes 2A through 111A are Unimpaired, and the Holders of Claims in such Classes are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of Claims in Classes 2A through 111A are not entitled to vote to accept or reject this Plan;

provided, however, that all Claims in Classes 2A through 111A shall be subject to allowance or disallowance in whole or in part under the applicable provisions of this Plan, including, but not limited to, Article VIII.

3.3.2 Classes 2B through 111B – Other Secured Claims.

(a) Classification: Classes 2B through 111B consist of all Other Secured Claims against the relevant Filed Subsidiary Debtors. The numerical portion of the Class designation corresponds to the applicable Debtor number on Appendix A hereto.

(b) Treatment: Each Holder of an Allowed Other Secured Claim against a Filed Subsidiary Debtor shall have such Claim Reinstated.

(c) Voting: Allowed Claims in Classes 2B through 111B are Unimpaired, and the Holders of Claims in such Classes are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of Claims in Classes 2B through 111B are not entitled to vote to accept or reject this Plan; provided, however, that all Claims in Classes 2B through 111B shall be subject to allowance or disallowance in whole or in part under the applicable provisions of this Plan, including, but not limited to, Article VIII.

3.3.3 Classes 50C through 111C – Loan Guaranty Claims.

(a) Classification: Classes 50C through 111C consist of all Loan Guaranty Claims against the relevant Guarantor Debtors. The numerical portion of the Class designation corresponds to the applicable Debtor number on Appendix A hereto.

(b) Allowance: The Senior Loan Guaranty Claims shall be deemed Allowed in an aggregate amount equal to all amounts payable under the Senior Loan Guaranty Agreement, including the full amount of principal, interest, and all other amounts due and owing under the Senior Loan Guaranty Agreement as of the Petition Date. The Bridge Loan Guaranty Claims shall be deemed Allowed in an aggregate amount equal to all amounts payable thereunder, including the full amount of principal, interest, and all other amounts due and owing under the Bridge Loan Agreement as of the Petition Date. Neither the Senior Loan Guaranty Claims nor the Bridge Loan Guaranty Claims shall be subject to reduction, disallowance, subordination (other than, with respect to the Bridge Loan Guaranty Claims, as provided in the Loan Guaranty Agreements), set off or counterclaim.

(c) Treatment: On or as soon as practicable after the applicable Distribution Date, in full satisfaction, settlement, release and discharge of and in exchange for Allowed Loan Guaranty Claims against the Guarantor Debtors, subject to Section 5.4.2, each Holder of an Allowed Loan Guaranty Claim against a Guarantor Debtor shall receive a Pro Rata share of:

(i) 91.2% of the New Senior Secured Term Loan plus the portion of the Other Parent Claims Allocation that is New Senior Secured Term Loan;

(ii) 91.2% of the Distributable Cash minus (A) the amount of Distributable Cash to be distributed to Holders of Allowed Claims in Classes 2E through 111E and (B) the amount of Distributable Cash to be distributed to Holders of Allowed Claims in Class 1E in excess of the portion of the Other Parent Claims Allocation that is Distributable Cash; and

(iii) 91.2% of the New Common Stock plus the portion of the Other Parent Claims Allocation that is New Common Stock, subject to dilution by the Equity Incentive Plan.

In accordance with Section 7.3, in order to comply with the contractual subordination provisions in the Loan Guaranty Agreements, all distributions of (i) the New Senior Secured Term Loan, (ii) the Distributable Cash and (iii) the New Common Stock made on account of Allowed Bridge Loan Guaranty Claims shall be distributed to the Senior Loan Agent for distribution on account of Allowed Senior Loan Guaranty Claims, and no distribution shall be provided to Holders of Allowed Bridge Loan Guaranty Claims.

(d) Voting: Claims in Classes 50C through 111C are Impaired, and Holders of Claims in Classes 50C through 111C are entitled to vote to accept or reject the Plan against the relevant Debtors.

3.3.4 Classes 2E through 111E – General Unsecured Claims.

(a) Classification: Classes 2E through 111E consist of all General Unsecured Claims against the relevant Filed Subsidiary Debtors. The numerical portion of the Class designation corresponds to the applicable Debtor number on Appendix A hereto.

(b) Amount: The Debtors have made a good faith, reasonable estimate of the amount to be paid to Classes 2E through 111E under this Plan, which estimate has been disclosed in the Disclosure Statement, and the Debtors shall supplement such estimate in a declaration filed with the Bankruptcy Court no later than ten (10) calendar days prior to the deadline established for objecting to this Plan.

(c) Treatment: On or as soon as reasonably practicable after the applicable Distribution Date, each Holder of an Allowed General Unsecured Claim against a Filed Subsidiary Debtor shall receive payment in full in Cash (paid out of the Distributable Cash); provided, however, that if the Debtors estimate, pursuant to the immediately preceding paragraph, that the sum of Allowed Claims in Classes 2E through 111E shall exceed \$150 million in the aggregate and the Senior Lender Settlement Committee does not elect in writing after such estimate is filed with the Bankruptcy Court but prior to the conclusion of the Confirmation Hearing to provide additional consideration to such Holders, each Holder of an Allowed Claim in Classes 2E through 111E shall instead receive its Pro Rata share of \$150 million in Cash; provided further, however, that post-petition interest shall not accrue or be paid on any General Unsecured Claim.

(d) Voting: Claims in Classes 2E through 111E are Impaired, and Holders of Claims in Classes 2E through 111E are entitled to vote to accept or reject the Plan against the relevant Debtors.

3.3.5 Classes 2K through 111K – Intercompany Claims.

(a) Classification: Classes 2K through 111K consist of all Intercompany Claims against the relevant Filed Subsidiary Debtors. The numerical portion of the Class designation corresponds to the applicable Debtor number on Appendix A hereto.

(b) Treatment: In full satisfaction, settlement, release and discharge of and in exchange for Intercompany Claims against Filed Subsidiary Debtors, except as otherwise provided herein, all Intercompany Claims against Filed Subsidiary Debtors shall be deemed satisfied, discharged and extinguished in full and shall be eliminated as of the Effective Date.

(c) Voting: Claims in Classes 2K through 111K are Impaired; however, as set forth in Section 4.3, votes on the Plan shall not be solicited from Holders of Claims in Classes 2K through 111K.

3.3.6 Classes 2L through 111L – Securities Litigation Claims.

(a) Classification: Classes 2L through 111L consist of all Securities Litigation Claims against the relevant Filed Subsidiary Debtors. The numerical portion of the Class designation corresponds to the applicable Debtor number on Appendix A hereto.

(b) Treatment: On the Effective Date, all Securities Litigation Claims against Filed Subsidiary Debtors shall be extinguished and Holders of such Claims shall not receive or retain any property under this Plan on account of such Securities Litigation Claims.

(c) Voting: Claims in Classes 2L through 111L are Impaired. Holders of Claims in Classes 2L through 111L are conclusively deemed to have rejected the Plan and are not entitled to vote to accept or reject the Plan.

3.3.7 Classes 2M through 111M – Interests in Filed Subsidiary Debtors.

(a) Classification: Classes 2M through 111M consist of all Interests in the Filed Subsidiary Debtors. The numerical portion of the Class designation corresponds to the applicable Debtor number on Appendix A hereto.

(b) Treatment: Each Holder of an Allowed Interest in the Filed Subsidiary Debtors shall have its Interest Reinstated.

(c) Voting: Allowed Interests in Classes 2M through 111M are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of Interests in Classes 2M through 111M are not entitled to vote to accept or reject the Plan.

3.4 Prepackaged Plans for and Treatment of Claims Against and Interests in Guarantor Non-Debtors, if Any, That Become Debtors.

3.4.1 Prepackaged Plan. This Plan constitutes a Prepackaged Plan for the Guarantor Non-Debtors, if any, that commence Chapter 11 Cases. For any Guarantor Non-Debtor that commences a Chapter 11 Case, such Prepackaged Plan shall classify Allowed Claims and Interests in the same manner as set forth in Section 3.3 above for the Filed Subsidiary Debtors.

3.4.2 Unimpaired Claims and Interests. Except for Loan Guaranty Claims, Intercompany Claims and Securities Litigation Claims, each Holder of an Allowed Claim against or Interest in a Guarantor Non-Debtor that becomes a Debtor shall have its Claim or Interest Reinstated. In addition, except for Loan Guaranty Claims, Intercompany Claims and Securities Litigation Claims, Allowed Claims against and Interests in any Guarantor Non-Debtor that becomes a Debtor are Unimpaired, and the Holders of such Claims and Interests are conclusively deemed to have accepted the Prepackaged Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of such Claims and Interests are not entitled to vote to accept or reject the relevant Prepackaged Plan. All executory contracts and unexpired leases of the Guarantor Non-Debtors that become Debtors shall be assumed and shall be fully enforceable in accordance with their terms. Joint venture agreements, stockholder agreements, limited liability company agreements, limited liability partnership agreements, limited partnership agreements, general partnership agreements and any other agreements or arrangements related to the foregoing shall continue in accordance with their terms and shall remain in full force and effect and the parties' rights thereunder shall not be modified by the relevant Prepackaged Plan.

3.4.3 Loan Guaranty Claims. In full satisfaction, settlement, release and discharge of and in exchange for Allowed Loan Guaranty Claims against Guarantor Non-Debtors that become Debtors, each Holder of an Allowed Loan Guaranty Claim against a Guarantor Non-Debtor that becomes a Debtor shall be entitled to receive the distributions provided to such Holder under Section 3.3.3 and the guaranties described in Section 5.6 and shall not be entitled to receive any other or further distributions or guaranties. Loan Guaranty Claims are Impaired, and Holders of Loan Guaranty Claims are entitled to vote to accept or reject the relevant Prepackaged Plan. Votes cast by Holders of Loan Guaranty Claims in Classes 50C through 111C shall be counted as votes cast on the relevant Prepackaged Plan prepared on behalf of the relevant Guarantor Non-Debtors.

3.4.4 Intercompany Claims. In full satisfaction, settlement, release and discharge of and in exchange for Allowed Intercompany Claims against Guarantor Non-Debtors that become Debtors, all Intercompany Claims against a Guarantor Non-Debtor that becomes a Debtor shall be deemed satisfied, discharged and extinguished in full and shall be eliminated as of the Effective Date. Intercompany Claims are Impaired; however, as set forth in Section 4.3, votes shall not be solicited from the Holders of such Claims.

3.4.5 Securities Litigation Claims. On the Effective Date, all Securities Litigation Claims against Guarantor Non-Debtors that become Debtors shall be extinguished and the Holders of such Claims shall not receive or retain any property under the relevant Prepackaged Plan on account of such Securities Litigation Claims. Securities Litigation Claims

are Impaired and Holders of such Claims are conclusively deemed to have rejected the relevant Prepackaged Plan and are not entitled to vote to accept or reject the relevant Prepackaged Plan.

ARTICLE IV: ACCEPTANCE OR REJECTION OF PLAN

4.1 Impaired Classes of Claims and Interests Entitled to Vote.

Holders of Claims or Interests in each Impaired Class of Claims or Interests that receive or retain property pursuant to this Plan shall be entitled to vote to accept or reject this Plan.

4.2 Acceptance by an Impaired Class of Claims.

Pursuant to section 1126(c) of the Bankruptcy Code, an Impaired Class of Claims shall have accepted the Plan if, after excluding any Claims held by any Holder designated pursuant to section 1126(e) of the Bankruptcy Code, (a) the Holders of at least two-thirds in dollar amount of the Allowed Claims actually voting in such Class have voted to accept such Plan, and (b) more than one-half in number of such Allowed Claims actually voting in such Class have voted to accept the Plan.

4.3 Deemed Acceptance by Holders of Intercompany Claims.

As proponents of this Plan (or Affiliates thereof), Holders of Intercompany Claims are conclusively deemed to accept this Plan and votes shall not be solicited from the Holders of such Claims.

4.4 Presumed Acceptances by Unimpaired Classes.

Classes of Claims or Interests designated as Unimpaired are conclusively presumed to have voted to accept this Plan pursuant to section 1126(f) of the Bankruptcy Code, and the votes of the Holders of such Claims or Interests will not be solicited.

4.5 Presumed Rejection of the Plan.

Impaired Classes of Claims or Interests that do not receive or retain property under the Plan are conclusively presumed to have voted to reject the Plan pursuant to section 1126(g) of the Bankruptcy Code, and the votes of Holders of such Claims or Interests will not be solicited.

4.6 Confirmability and Severability of this Plan.

4.6.1 Consensual Confirmation. The confirmation requirements of section 1129(a) of the Bankruptcy Code must be satisfied separately with respect to each Debtor. Therefore, notwithstanding the combination of the separate plans of reorganization of all Debtors in this joint plan of reorganization for purposes of, among other things, economy and efficiency, this Plan shall be deemed a separate chapter 11 plan for each such Debtor.

4.6.2 Cramdown. With respect to any Impaired Class of Claims or Interests that fails to accept the Plan in accordance with section 1129(a) of the Bankruptcy Code, including any Classes that may be created pursuant to amendments to this Plan, the Debtors request that the Court confirm the Plan in accordance with section 1129(b) of the Bankruptcy Code with respect to such non-accepting Classes, in which case or cases, the Plan shall constitute a motion for such relief.

4.6.3 Reservation of Rights. Subject to Section 13.9 of this Plan, the Debtors reserve the right to modify or withdraw this Plan, in its entirety or in part, for any reason, including, without limitation, in the event that the Plan as it applies to any particular Debtor is not confirmed. In addition, and also subject to Section 13.9 of this Plan, should this Plan fail to be accepted by the requisite number and amount of Claims and Interests voting, as required to satisfy section 1129 of the Bankruptcy Code, and notwithstanding any other provision of this Plan to the contrary, the Debtors reserve the right to amend, modify or withdraw this Plan in its entirety or in part.

ARTICLE V: MEANS FOR IMPLEMENTATION OF THE PLAN

5.1 Non-Substantive Consolidation

Although the Plan is presented as a joint plan of reorganization, this Plan does not provide for the substantive consolidation of the Debtors' estates, and on the Effective Date, the Debtors' estates shall not be deemed to be substantively consolidated for any reason. Allowed Claims held against one Debtor will be satisfied solely from the Cash and assets of such Debtor and its Estate, provided that, to the extent of any insufficiency, funds may be advanced to the relevant Debtors by the Estate of Tribune or any of the Subsidiary Debtors at the option of the advancing Debtor, as applicable. Except as specifically set forth herein, nothing in this Plan or the Disclosure Statement shall constitute or be deemed to constitute an admission that any one or all of the Debtors is subject to or liable for any Claims against any other Debtor. A Claim against multiple Debtors will be treated as a separate Claim against each Debtor's Estate for all purposes including, but not limited to, voting and distribution; provided, however, that no Claim will receive value in excess of 100% of the Allowed amount of such Claim. Notwithstanding anything to the contrary in this Plan, the Reinstated Claims and Interests and Impaired Claims and Interests of a particular Debtor or Reorganized Debtor shall remain the obligations solely of such Debtor or Reorganized Debtor and shall not become obligations of any other Debtor or Reorganized Debtor by virtue of this Plan, the Chapter 11 Cases, or otherwise.

5.2 Restructuring Transactions

On or prior to the Effective Date, any Debtor and, after the Effective Date, any Reorganized Debtor, may enter into or undertake any Restructuring Transactions and may take such actions as may be determined by such Debtor or Reorganized Debtor to be necessary or appropriate to effect such Restructuring Transactions. The actions to effect the Restructuring Transactions may include, without limitation: (i) the execution and delivery of appropriate agreements or other documents of merger, consolidation, conversion, restructuring, recapitalization, disposition, liquidation or dissolution containing terms that are consistent with the terms herein and that satisfy the requirements of applicable law and such other terms to

which the applicable entities may agree; (ii) the execution and delivery of appropriate instruments of transfer, assignment, assumption, disposition, or delegation of any asset, property, right, liability, duty or obligation on terms consistent with the terms herein and having such other terms to which the applicable entities may agree; (iii) the filing of appropriate certificates or articles of merger, consolidation, conversion or dissolution (or similar instrument) pursuant to applicable law; and (iv) all other actions which the applicable entities may determine to be necessary or appropriate, including making filings or recordings that may be required by applicable law in connection with such transactions. The Restructuring Transactions may include one or more mergers, consolidations, conversions, restructurings, recapitalizations, dispositions, liquidations or dissolutions, as may be determined by the applicable Debtors or Reorganized Debtors to be necessary or appropriate to effect the purposes of such Restructuring Transactions for the benefit of the Reorganized Debtors, including, without limitation, the potential simplification of the organizational structure of the Reorganized Debtors. In each case in which the surviving, resulting or acquiring person in any such Restructuring Transaction is a successor to a Reorganized Debtor, such surviving, resulting or acquiring person will perform the obligations of the applicable Reorganized Debtor pursuant to this Plan to pay or otherwise satisfy the Allowed Claims against such Reorganized Debtor, except as provided in any contract, instrument or other agreement or document effecting a disposition to such surviving, resulting or acquiring person, which may provide that another Reorganized Debtor will perform such obligations. Implementation of the Restructuring Transactions shall not affect any distributions, discharges, exculpations, releases or injunctions set forth in this Plan. Exhibit 5.2, to be filed with the Plan Supplement, shall set forth the Restructuring Transactions and a detailed description of the actions and steps required to implement each Restructuring Transaction. On or prior to, or as soon as practicable after, the Effective Date, the Debtors or the Reorganized Debtors may take such steps as they may deem necessary or appropriate to effectuate any Restructuring Transactions that satisfy the requirements set forth in this Section 5.2. The Restructuring Transactions shall be authorized and approved by the Confirmation Order pursuant to, among other provisions, sections 1123 and 1141 of the Bankruptcy Code and section 303 of title 8 of the Delaware Code, if applicable, without any further notice, action, third-party consents, court order or process of any kind, except as otherwise set forth herein or in the Confirmation Order. To the extent that any Restructuring Transaction may require the prior consent of the FCC to an assignment of FCC Licenses or a transfer of control of a holder of FCC Licenses, no such Restructuring Transaction shall be consummated until all necessary prior consents of the FCC shall have been obtained.

5.3 Corporate Governance, Directors, Officers and Corporate Action.

5.3.1 Certificate of Incorporation; By-Laws; Limited Liability Company Agreement; Limited Liability Partnership Agreement. On the Effective Date, the Certificate of Incorporation and By-Laws substantially in the forms attached as Exhibit 5.3.1(1) hereto and Exhibit 5.3.1(2) hereto, respectively, and as filed with the Plan Supplement, shall go into effect. Consistent with, but only to the extent required by, section 1123(a)(6) of the Bankruptcy Code, the Certificate of Incorporation shall, among other things, prohibit the issuance of non-voting equity securities. Additionally, the Certificate of Incorporation shall contain director and officer liability exculpation and indemnity provisions to the fullest extent permitted under Delaware law. To the extent the summary description in this Plan conflicts with the terms of the Certificate of Incorporation or the By-Laws, the terms of such documents shall govern. The

certificates or articles of incorporation, by-laws, certificates of formation, limited liability company agreements, partnership agreements or similar governing documents, as applicable, of the other Debtors or Reorganized Debtors shall be amended as necessary to satisfy the provisions of this Plan (including, without limitation, Section 5.2) and the Bankruptcy Code. After the Effective Date, the Reorganized Debtors may amend and restate their certificates or articles of incorporation, by-laws, certificates of formation, limited liability company agreements, partnership agreements or similar governing documents, as applicable, as permitted by applicable law.

5.3.2 Directors and Officers of Reorganized Tribune. Subject to any requirement of Bankruptcy Court approval pursuant to section 1129(a)(5) of the Bankruptcy Code, as of the Effective Date, the initial directors and officers of Reorganized Tribune shall be the persons identified in Exhibit 5.3.2 hereto, to be filed with the Plan Supplement. On the Effective Date, the board of directors of Reorganized Tribune shall have at least seven (7) but not more than nine (9) members, including the chief executive officer of Reorganized Tribune. All members of the initial board of directors of Reorganized Tribune will be in compliance with all applicable requirements of the Communications Act and the FCC's rules. As set forth in the Certificate of Incorporation, the initial board of directors of Reorganized Tribune shall serve for a one-year, non-staggered term and then shall be subject to re-election based on a shareholder vote pursuant to the terms of the Certificate of Incorporation and applicable law. Pursuant to section 1129(a)(5) of the Bankruptcy Code, the Debtors will disclose in Exhibit 5.3.2 hereto, to be filed with the Plan Supplement, the identity and affiliations of any person proposed to serve on the initial board of directors of Reorganized Tribune and to the extent such person is an insider (as defined in section 101(31) of the Bankruptcy Code) other than by virtue of being a director, the nature of any compensation for such person. Each such director and officer shall serve from and after the Effective Date pursuant to the terms of the Certificate of Incorporation and applicable law. Each member of the current board of directors of Tribune will be deemed to have resigned on the Effective Date unless identified in Exhibit 5.3.2 as continuing on the board of directors of Reorganized Tribune.

5.3.3 Ownership and Management of Reorganized Debtors Other Than Reorganized Tribune. Except as set forth in Exhibit 5.2, from and after the Effective Date, each Reorganized Debtor shall retain its equity interest in any other Reorganized Debtor. The initial boards of directors or managers of the Reorganized Debtors other than Reorganized Tribune shall be as set forth in Exhibit 5.3.3 hereto, to be filed with the Plan Supplement.

5.3.4 Corporate Action. The adoption of the Certificate of Incorporation or similar constituent documents, the adoption of the By-Laws, the selection of directors and officers for Reorganized Tribune, and all other actions contemplated by this Plan shall be authorized and approved in all respects (subject to the provisions of this Plan) by the Confirmation Order. All matters provided for in this Plan involving the corporate structure of the Debtors or the Reorganized Debtors, and any corporate action required by the Debtors or the Reorganized Debtors in connection with this Plan, shall be deemed to have timely occurred in accordance with applicable law and shall be in effect, without any requirement of further action by the security holders or directors of the Debtors or the Reorganized Debtors. On the Effective Date, as applicable, the appropriate officers of the Debtors and/or the Reorganized Debtors and members of the boards of directors or managers of the Debtors and/or Reorganized Debtors are

authorized and directed to issue, execute and deliver, and cause the Reorganized Debtors to perform, the agreements, documents, securities and instruments contemplated by this Plan in the name of and on behalf of the Debtors and/or Reorganized Debtors.

5.4 Issuance and Distribution of New Securities and Related Matters.

5.4.1 Issuance of New Securities. On the Effective Date or a subsequent Distribution Date, as applicable, Reorganized Tribune shall issue shares of New Common Stock and New Warrants and all instruments, certificates and other documents required to be issued or distributed pursuant to this Plan without further act or action under applicable law, regulation, order or rule. Except as otherwise provided in this Plan, including as specifically provided in Section 5.4.2 hereof, each Holder of a Claim that is eligible to receive a distribution of New Common Stock pursuant to the Plan will be issued New Class A Common Stock, provided that any such Holder will be entitled to receive all or a portion of its shares of New Common Stock in the form of New Class B Common Stock if such Holder informs the Debtors of its desire to receive instead such New Class B Common Stock by the date announced by the Debtors in a filing with the Bankruptcy Court, with such date to be no earlier than the first day of the Confirmation Hearing. The Certificate of Incorporation, substantially in the form of Exhibit 5.3.1(1) hereto, sets forth the rights and preferences of the New Common Stock. The Certificate of Incorporation may contain customary provisions restricting the sale, transfer, assignment, conversion or other disposal of such shares of New Common Stock. To the extent the shares of New Class A Common Stock or New Class B Common Stock are certificated, such certificates may contain a legend restricting the sale, transfer, assignment, conversion or other disposal of such shares. The New Warrant Agreement substantially in the form of Exhibit 1.1.118 hereto, which shall be filed with the Plan Supplement, sets forth the rights of the holders of the New Warrants. The issuance of the New Common Stock and the New Warrants and the distribution thereof under this Plan shall be exempt from registration under applicable securities laws pursuant to section 1145(a) of the Bankruptcy Code. Without limiting the effect of section 1145 of the Bankruptcy Code, all documents, agreements and instruments entered into on or as of the Effective Date contemplated by or in furtherance of this Plan, including, without limitation, the Exit Facility Credit Agreement (if any), the New Senior Secured Term Loan Agreement (if any), and any other agreement entered into in connection with the foregoing, shall become effective and binding in accordance with their respective terms and conditions upon the parties thereto.

5.4.2 Distribution of New Common Stock and New Warrants.

(a) Foreign Ownership Certification. Each Holder of a Claim, with the exception of Senior Noteholder Claims, that is eligible to receive a distribution of New Common Stock pursuant to this Plan will be required (1) to provide the Foreign Ownership Certification by the deadline established by the Bankruptcy Court and (2) to report any changes in foreign ownership percentages between the submission of the Foreign Ownership Certification and the Effective Date or such other deadline established by the Bankruptcy Court by providing an amended Foreign Ownership Certification and, upon request of the Debtors, confirm the absence of any changes. Notwithstanding anything else to the contrary in this Plan, any such Holder, other than a Holder of a Senior Noteholder Claim, that fails to provide (i) the Foreign Ownership Certification by the deadline established by the Bankruptcy Court, (ii) an amended Foreign Ownership Certification if one is required, (iii) a Foreign Ownership Certification that is

reasonably satisfactory to the Debtors or (iv) a timely confirmation, if required, that its foreign ownership and voting rights percentages have not changed, may be deemed to be an entity that is foreign-owned and controlled for purposes of determining the allocation of New Common Stock and New Warrants as set forth in Section 5.4.2(c). Each Holder of a Senior Noteholder Claim that is eligible to receive a distribution of New Common Stock pursuant to this Plan will have the option to submit a Foreign Ownership Certification and to tender its Senior Notes by the deadline established by the Bankruptcy Court. Any Holder of a Senior Noteholder Claim that does not submit a reasonably satisfactory Foreign Ownership Certification and tender its Senior Notes by such deadline will be deemed to be an entity that is foreign-owned and controlled for purposes of determining the allocation of New Common Stock and New Warrants as set forth in Section 5.4.2(c).

(b) Media Ownership Certification. Each Holder of a Claim that is eligible to receive a distribution of New Common Stock pursuant to this Plan may be required to provide a Media Ownership Certification by the Voting Deadline or such other deadline established by the Bankruptcy Court, which may be earlier than the Voting Deadline, in accordance with the instructions set forth in the Media Ownership Certification document that may be distributed to any such Holder. Any such Holder that fails to provide the Media Ownership Certification by the Voting Deadline or such other deadline established by the Bankruptcy Court or that does not do so to the reasonable satisfaction of the Debtors may be allocated New Class B Common Stock in lieu of New Class A Common Stock as set forth in Section 5.4.2(d) at the Debtors' discretion.

(c) Foreign-Owned or Controlled Entities. Notwithstanding anything else to the contrary in this Plan, Reorganized Tribune shall issue (i) New Warrants in lieu of New Common Stock, (ii) New Common Stock or (ii) a combination of New Warrants and New Common Stock (in lieu of only New Common Stock or only New Warrants), to any Holder of a Claim that is eligible to receive New Common Stock under this Plan and that, based on the Holder's Foreign Ownership Certification (or failure to provide the Foreign Ownership Certification or otherwise comply with Section 5.4.2(a) herein), is (or is deemed to be pursuant to Section 5.4.2(a)) more than twenty five percent (25%) foreign owned or controlled, on either a voting or an equity basis, as determined pursuant to section 310(b) of the Communications Act. Such issuance of New Warrants, New Common Stock, or a combination of New Warrants and New Common Stock to such Holders shall be pursuant to an allocation mechanism to be determined by Reorganized Tribune that, based on the aggregated results of the Foreign Ownership Certifications, ensures compliance with section 310(b) of the Communications Act.

(d) Entities with Conflicting Media Interests. Reorganized Tribune, in its discretion, may issue shares of New Class B Common Stock in lieu of shares of New Class A Common Stock to any Holder of a Claim that is eligible under this Plan to receive a distribution of New Common Stock to ensure that such Holder will hold, in the aggregate (including with entities under common ownership or control) less than five percent (5%) of the voting rights of Reorganized Tribune, if Reorganized Tribune determines, based on the Holder's Media Ownership Certification (or failure to provide the Media Ownership Certification or otherwise comply with Section 5.4.2(b) herein), that such Holder has other media interests that could impair the ability of Reorganized Tribune to comply with the Communications Act or the FCC's

rules if such Holder were issued the shares of New Class A Common Stock that it otherwise would be eligible to receive pursuant to this Plan.

(e) Holders of Five Percent (5%) or More of New Class A Common Stock. If any Holder of a Claim is eligible under this Plan to receive New Class A Common Stock such that, upon the Effective Date or such other deadline established by the Bankruptcy Court, such Holder would receive five percent (5%) or more of the shares of New Class A Common Stock (for any reason, including, but not limited to, as a result of the distribution of New Warrants or the distribution of New Class B Common Stock in lieu of New Class A Common Stock in accordance with Sections 5.4.2(c) or 5.4.2(d)), and such Holder has not provided the Media Ownership Certification in accordance with Section 5.4.2(b) herein or such ownership has not been disclosed in the FCC Applications and approved by the FCC, then Reorganized Tribune shall be entitled to issue to such Holder as many shares of New Class B Common Stock in lieu of shares of New Class A Common Stock as Reorganized Tribune deems necessary to ensure compliance with the Communications Act or the FCC's rules and/or to avoid substantial delay in obtaining the FCC Approval.

(f) Distributions. On or as soon as reasonably practicable after the applicable Distribution Date, all of the shares of the New Common Stock and New Warrants to which any Holder of a Claim shall become entitled pursuant to this Plan shall be transferred by delivery of one or more certificates representing such shares as described herein or issued in the name of such Holder or DTC or its nominee or nominees in accordance with DTC's book-entry exchange procedures, as contemplated by Section 7.7.2, subject to the terms and conditions of this Plan. In the period after the Effective Date and pending distribution of the New Common Stock to any Holder of an Allowed Claim entitled to receive such distribution, such Holder shall be entitled to exercise any voting rights and receive any dividends or other distributions payable in respect of such Holder's New Common Stock (including receiving any proceeds of any permitted transfer of such New Common Stock), and to exercise all other rights in respect of the New Common Stock (so that such Holder shall be deemed for tax purposes to be the owner of the New Common Stock issued in the name of such Holder).

5.5 Reporting Requirements Under Securities Exchange Act of 1934 and Listing of New Class A Common Stock on Securities Exchange or Quotation System.

Reorganized Tribune shall use its reasonable best efforts to be a reporting company under section 12 of the Securities Exchange Act of 1934, as amended, as promptly as practicable after the Effective Date and shall maintain all necessary staff, operations and practices in order to be a public reporting company. In addition, Reorganized Tribune will use its reasonable best efforts to list, as promptly as practicable after the Effective Date, the New Class A Common Stock for trading on the New York Stock Exchange or for quotation in the NASDAQ stock market but will have no liability if it is unable to do so. Persons receiving distributions of New Class A Common Stock, by accepting such distributions, will have agreed to cooperate with Reorganized Tribune's reasonable requests to assist Reorganized Tribune in its efforts to list the New Class A Common Stock on the New York Stock Exchange or for quotation in the NASDAQ stock market, including, without limitation, appointing or supporting the appointment of a sufficient number of directors to the board of directors of Reorganized

Tribune who satisfy the independence and other requirements of the New York Stock Exchange or for quotation in the NASDAQ stock market, as applicable.

5.6 New Senior Secured Term Loan Agreement.

5.6.1 Subject to the terms of this Section 5.6, on the Effective Date, if the Debtors have not elected to replace the New Senior Secured Term Loan in its entirety with distributions of Cash, (a) Reorganized Tribune, as borrower, (b) the other Reorganized Debtors and U.S. Subsidiary Non-Debtors (including, without limitation, the Guarantor Non-Debtors and any successors to the Reorganized Debtors after giving effect to the Restructuring Transactions, but excluding any entities identified by the Debtors and consented to by the Senior Lender Settlement Committee), as guarantors, (c) the administrative agent party thereto, and (d) the Holders of Claims entitled to receive a distribution of the New Senior Secured Term Loan under this Plan shall become parties to the New Senior Secured Term Loan Agreement regardless of whether any party actually executes the New Senior Secured Term Loan Agreement. If issued, the New Senior Secured Term Loan shall (i) be guaranteed by the U.S. subsidiaries of Reorganized Tribune (including, without limitation, the Guarantor Non-Debtors and any successors to the Reorganized Debtors after giving effect to the Restructuring Transactions, but excluding any entities identified by the Debtors and consented to by the Senior Lender Settlement Committee), (ii) be secured by certain assets of Reorganized Tribune and the guarantors thereof subject to specified exceptions and customary intercreditor arrangements, (iii) have interest payable in Cash quarterly, (iv) have principal payable in Cash quarterly, with the unpaid balance payable on the final maturity date thereof, (v) mature on the fifth anniversary of the Effective Date, (vi) include usual and customary affirmative and negative covenants for term loan facilities of this type and (vii) be repayable by Reorganized Tribune at any time prior to scheduled maturity without premium or penalty. The New Senior Secured Term Loan Agreement shall be in the form attached hereto as Exhibit 5.6, which shall be filed with the Plan Supplement.

5.6.2 To the extent that replacement financing is available on commercially reasonable terms, the Debtors shall at the reasonable direction, or may with the consent, of the Senior Lender Settlement Committee, distribute Cash in the amount of all or part of the initial principal amount of the New Senior Secured Term Loan in lieu of all or such part of the New Senior Secured Term Loan to Holders of Allowed Claims that are entitled to receive the New Senior Secured Term Loan under this Plan. If the Debtors so elect, the relevant Debtors or Reorganized Debtors, as applicable, are hereby authorized, without any requirement of further action by the security holders or directors of such Debtors or Reorganized Debtors, to make such repayment including through the issuance of new indebtedness; provided, however, that (i) any such Cash distribution shall be distributed Pro Rata to Holders of Allowed Claims that otherwise would have been entitled to receive the New Senior Secured Term Loan and (ii) the terms of any such indebtedness shall be subject to the consent of the Senior Lender Settlement Committee, such consent not to be unreasonably withheld.

5.7 Continued Corporate Existence and Vesting of Assets in the Reorganized Debtors.

Subject to Section 5.2, after the Effective Date, the Reorganized Debtors shall continue to exist as separate entities in accordance with the applicable law in the respective jurisdictions in which they are organized and pursuant to their respective certificates or articles of incorporation, by-laws, certificates of formation, limited liability company agreements, partnership agreements or similar governing documents in effect prior to the Effective Date, except to the extent such documents are to be amended pursuant to the terms of this Plan. Except as otherwise provided in this Plan, on and after the Effective Date, all property of the Estates of the Debtors, including all claims, rights and causes of action and any property acquired by the Debtors or the Reorganized Debtors under or in connection with this Plan, shall vest in the Reorganized Debtors free and clear of all Claims, Liens, charges, other encumbrances and Interests. On and after the Effective Date, the Reorganized Debtors may operate their businesses and may use, acquire and dispose of property and compromise or settle any Claims without supervision of or approval by the Bankruptcy Court and free and clear of any restrictions of the Bankruptcy Code or the Bankruptcy Rules, other than restrictions expressly imposed by this Plan or the Confirmation Order. Without limiting the foregoing, the Reorganized Debtors may pay the charges that they incur on or after the Effective Date for professionals' fees, disbursements, expenses or related support services without application to the Bankruptcy Court.

5.8 Cancellation of Loan Agreements, Loan Guaranty Agreements, the Pledge Agreement, Notes Issued Under the Loan Agreements, Senior Notes, Debentures, Instruments, Indentures, EGI-TRB LLC Notes, PHONES Notes, Old Common Stock and Other Tribune Interests.

5.8.1 Except as otherwise provided for herein, as of the Effective Date, all (a) Loan Agreements, Loan Guaranty Agreements, the Pledge Agreement, notes issued under the Loan Agreements, Senior Notes, EGI-TRB LLC Notes, PHONES Notes, Old Common Stock, other Tribune Interests and any other notes, bonds (with the exception of surety bonds outstanding), indentures (including the Indentures), stockholders' agreements, registration rights agreements, repurchase agreements and repurchase arrangements, or other instruments or documents evidencing or creating any indebtedness or obligations of a Debtor that relate to Claims or Interests that are Impaired under this Plan shall be cancelled, and (b) all amounts owed by and the obligations of the Debtors under any agreements, credit agreements, guaranty agreements, stockholders' agreements, registration rights agreements, repurchase agreements and repurchase arrangements, indentures (including the Indentures) or certificates of designation governing the Loan Claims, Loan Guaranty Claims, Senior Notes, EGI-TRB LLC Notes, PHONES Notes, Old Common Stock, other Tribune Interests and any other notes, bonds, indentures, or other instruments or documents evidencing or creating any Claims against or Interests in a Debtor that are Impaired under the Plan shall be discharged. In addition, as of the Effective Date, all Old Common Stock and other Tribune Interests that have been authorized to be issued but that have not been issued shall be deemed cancelled and extinguished without any further action of any party. Notwithstanding anything to the contrary herein, the obligations of parties to the Loan Agreements and the Loan Guaranty Agreements that are not Reorganized Debtors or Subsidiary Non-Debtors shall not be discharged or limited in any way.

5.8.2 Notwithstanding the foregoing provisions of this Section 5.8 and anything contained elsewhere in this Plan, but subject to Section 5.8.1, (x) the Senior Notes Indentures shall continue in effect to the extent necessary to allow the Reorganized Debtors and the Senior

Notes Indenture Trustees to make distributions pursuant to the Plan on account of the Senior Noteholder Claims under the respective Senior Notes Indentures and for the applicable Senior Notes Indenture Trustee to perform such other functions with respect thereto and assert any rights preserved under subsection (z) of this Section 5.8.2; (y) the Loan Agreements (including, without limitation, the intercreditor provisions described in Section 7.3 of this Plan) shall continue in effect to the extent necessary to allow the Reorganized Debtors and administrative agents to make distributions pursuant to the Plan on account of the Loan Claims and Loan Guaranty Claims under the respective Loan Agreements and Loan Guaranty Agreements, for the applicable Loan Agent to perform such other functions with respect thereto as the applicable Loan Agent shall deem necessary or appropriate and with respect to all rights of the applicable Loan Agent with respect to any and all Persons other than the Reorganized Debtors or Subsidiary Non-Debtors; and (z) nothing herein shall waive, release, or impair any rights, claims or interests, if any, that a Senior Notes Indenture Trustee may have under the applicable Senior Notes Indenture or otherwise to the recovery and/or reimbursement of its fees, costs and expenses (including the fees, costs and expenses of counsel and financial advisors) from any distribution hereunder to the Holders of Senior Noteholder Claims, whether such rights, claims or interests are in the nature of a charging lien or otherwise, all of which rights, claims and interests expressly are preserved. Except as expressly provided in this Plan, neither the Debtors nor the Reorganized Debtors shall have any obligations to any Indenture Trustee or Loan Agent for any fees, costs or expenses.

5.8.3 Notwithstanding any other provision of this Plan, the indemnification or guaranty obligations of the Debtors contained in (A) that certain Indemnity Agreement between CSC Holdings, Inc., NMG Holdings, Inc. and Tribune dated July 29, 2008; (B) that certain Guaranty of Collection entered into on October 27, 2009 made by Tribune to various parties with respect to the obligations of Chicago Baseball Holdings, LLC in respect of the Credit Agreement Loans (as defined therein) and the Private Placement Notes (as defined therein); and (C) that certain Subordinated Guaranty of Collection entered into on October 27, 2009 made by Tribune to various parties with respect to the obligations of Chicago Baseball Holdings, LLC in respect of the Loans (as defined therein) shall continue in full force and effect.

5.9 Cancellation of Liens and Guaranties.

Except as otherwise provided in this Plan, on the Effective Date, any Lien securing any Secured Claim (other than a Lien securing any Other Secured Claim that is Reinstated pursuant to this Plan) shall be deemed released and the Holder of such Secured Claim shall be authorized and directed to release any collateral or other property of any Debtor (including any cash collateral) held by such Holder and to take such actions as may be requested by the Debtors (or the Reorganized Debtors, as the case may be) to evidence the release of such Lien, including the execution, delivery, and filing or recording of such releases as may be requested by the Debtors (or the Reorganized Debtors, as the case may be). In addition, on the Effective Date, by voting in favor of the Plan, Classes comprised of the Senior Lenders and Bridge Lenders agree that the Senior Loan Guaranty Claims and Bridge Loan Guaranty Claims against the Guarantor Non-Debtors shall be extinguished and cancelled; it being a condition to the release, cancellation and extinguishment of the Senior Loan Guaranty Claims against the Guarantor Non-Debtors that all Bridge Loan Guaranty Claims shall be concurrently released, extinguished and cancelled. The consummation of this Plan shall effect and constitute a full and

final release, extinguishment and cancellation of any and all Senior Loan Guaranty Claims and any and all Bridge Loan Guaranty Claims against Guarantor Non-Debtors.

5.10 Exit Facility.

On the Effective Date, without any requirement of further action by security holders or directors of the Debtors or Reorganized Debtors, the Debtors and Reorganized Debtors shall be authorized, but not directed, to enter into the Exit Facility Credit Agreement, if any, as well as any notes, documents or agreements in connection therewith, including, without limitation, any documents required in connection with the creation or perfection of the liens securing the Exit Facility.

5.11 Equity Incentive Plan.

The Equity Incentive Plan shall be used for the purpose of granting awards to directors, officers and employees of Reorganized Tribune and the other Reorganized Debtors. The Equity Incentive Pool shall be reserved for issuance in the Equity Incentive Plan, and awards granted under the Equity Incentive Plan may consist of restricted stock, options, stock appreciation rights, warrants and/or other equity or equity-like incentives. A portion of the Equity Incentive Pool shall be granted to the participants in the Equity Incentive Plan within one hundred twenty (120) days after the Effective Date. The terms and conditions of the Equity Incentive Plan, including participants in the Equity Incentive Plan, will be disclosed prior to the Disclosure Statement hearing or filed as part of the Plan Supplement, if applicable at either time, and shall be acceptable to the Senior Lender Settlement Committee, unless not determined until after the Effective Date, in which case it shall be as determined by the compensation committee of the board of directors of Reorganized Tribune.

5.12 Sources of Cash for Plan Distributions.

Except as otherwise provided in this Plan or the Confirmation Order, all Cash necessary for the Reorganized Debtors to make payments pursuant to this Plan may be obtained from existing Cash balances, the operations of the Debtors or the Reorganized Debtors, sales of assets or the Exit Facility. Subject to Section 5.1, the Reorganized Debtors may also make such payments using Cash received from their Affiliates through the Reorganized Debtors' consolidated cash management systems.

5.13 Additional Transactions Authorized Under the Plan.

On or prior to the Effective Date, the Debtors shall be authorized to take any such actions as may be necessary or appropriate to have Claims or Interests Reinstated or render Claims or Interests Unimpaired to the extent provided herein. On the Effective Date, the Agents are authorized and directed to take such actions as are necessary or appropriate to effect all transactions specified or referred to in or provided for under this Plan.

5.14 Settlement of Claims and Controversies.

5.14.1 General. Pursuant to Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided under this Plan, the provisions of this Plan constitute a

good faith compromise and settlement of all Claims or controversies relating to the rights that a Holder of a Claim or Interest may have with respect to any Allowed Claim or Allowed Interest or any distribution to be made pursuant to this Plan on account of any Allowed Claim or Allowed Interest, including, without limitation, the settlement of the Senior Loan Guaranty Claims and the Bridge Loan Guaranty Claims and the release of such Claims against the Guarantor Non-Debtors. The entry of the Confirmation Order constitutes the Bankruptcy Court's approval, as of the Effective Date, of the compromise or settlement of all such Claims, Interests or controversies and the Bankruptcy Court's finding that all such compromises or settlements are in the best interests of (x) the Debtors, the Reorganized Debtors, the Subsidiary Non-Debtors and their respective Estates and property, and (y) Claim and Interest Holders, and are fair, equitable and reasonable on the dates and in the manner set forth herein.

5.14.2 Global Settlement Under the Plan. Pursuant to section 1123(b)(3)(A) of the Bankruptcy Code and Bankruptcy Rule 9019 and in consideration of the distributions and other benefits provided under the Plan, the provisions of the Plan constitute a good faith compromise and settlement, and the Plan constitutes a request to authorize and approve such compromise and settlement, to release all of the Released Claims, including without limitation the LBO-Related Causes of Action, belonging to the Tribune Entities, the Debtors' Estates and any other Person that is deemed to have given a release pursuant to Section 11.2 of this Plan against each and every and all Released Parties (the "Global Settlement"). Any distributions to be made pursuant to the Plan shall be made on account of and in consideration of the Global Settlement. Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, as of the Effective Date of the Plan, of the Global Settlement and the Bankruptcy Court's finding that the Global Settlement is in the best interests of the Debtors, the Reorganized Debtors, their respective Estates, and the Holders of Claims and Interests, and is fair, equitable and reasonable.

5.14.3 Implementation of Retiree Claimant Settlement. Pursuant to Bankruptcy Rule 9019, the Plan implements and incorporates by reference the terms of the Retiree Claimant Settlement Agreement, which is attached hereto as Exhibit 5.14.3 and filed with the Plan Supplement, including, without limitation, the allowance of the Claims of certain Retiree Claimants. Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, as of the Effective Date of the Plan, of the Retiree Claimant Settlement Agreement and the Bankruptcy Court's finding that the Retiree Claimant Settlement Agreement is in the best interests of the Debtors, the Reorganized Debtors, their respective Estates, and the Holders of Claims and Interests, and is fair, equitable and reasonable.

5.15 Preservation of Rights of Action and Settlement of Litigation Claims.

Except as otherwise provided in this Plan, the Confirmation Order, or in any document, instrument, release or other agreement entered into in connection with this Plan, in accordance with section 1123(b)(3)(B) of the Bankruptcy Code, the Debtors and their Estates shall retain the Litigation Claims. The Reorganized Debtors, as the successors in interest to the Debtors and the Estates, may enforce, sue on, settle or compromise (or decline to do any of the foregoing) any or all of the Litigation Claims or any other claims, rights of action, suits or proceedings that any Debtor or Estate may hold against any Person that are not otherwise released pursuant to this Plan.

5.16 FCC Applications.

The FCC Applications shall be filed with the FCC as promptly as practicable after filing this Plan. The Debtors, the Senior Lenders and any other Holders of Claims that are eligible to receive New Common Stock shall use their best efforts to cooperate in diligently pursuing and in taking all reasonable steps necessary to obtain the requisite FCC Approvals and shall provide such additional documents or information as are reasonably requested by the Debtors or that the Debtors reasonably deem necessary for the FCC's review of such applications. Prior to the Effective Date, the Debtors shall cooperate with counsel for the Senior Loan Agent and the Creditors Committee regarding the FCC Approval, including but not limited to the filing and further prosecution of the FCC Applications, and shall keep such counsels apprised of the status and progress of the FCC Applications.

ARTICLE VI: TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

6.1 Assumption of Executory Contracts and Unexpired Leases.

6.1.1 On the Effective Date, all executory contracts or unexpired leases of the Debtors will be deemed assumed in accordance with, and subject to, the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code, unless such executory contract or unexpired lease (i) was previously assumed or rejected by the Debtors, (ii) previously expired or terminated pursuant to its own terms, (iii) is an executory contract or unexpired lease that is included in the Global Contract Motion, (iv) is an executory contract or unexpired lease that is expressly excluded from the assumptions set forth in Section 6.5 hereto or is set forth on Exhibit 6.3 hereto, which shall be filed with the Plan Supplement, or (v) is an executory contract or unexpired lease that is included in a pending motion to reject such executory contract or unexpired lease. Entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of such assumptions pursuant to sections 365(a) and 1123 of the Bankruptcy Code. Each executory contract and unexpired lease assumed during the Chapter 11 Cases or pursuant to this Article VI shall revest in and be fully enforceable by the applicable Reorganized Debtor, including any successor to such Reorganized Debtor after giving effect to the Restructuring Transactions, in accordance with its terms, except as modified by the provisions of this Plan, agreement of the parties thereto, or any order of the Bankruptcy Court authorizing and providing for its assumption or applicable federal law.

6.1.2 Subject to the terms of Article VII and Section 6.1.1 herein and except for any Customer Program included on Exhibit 6.3 hereto, each Customer Program shall be deemed assumed effective as of the Effective Date and the proposed cure amount with respect to each shall be zero dollars. Nothing contained in this Section 6.1.2 shall constitute or be deemed to be a waiver of any claim or cause of action that the Debtors may hold against any Person. Except with respect to any Customer Programs included on Exhibit 6.3 hereto, as a result of the deemed assumption of the Customer Programs pursuant to this Section 6.1.2, all Proofs of Claim on account of or in respect of any Customer Program shall be deemed withdrawn automatically and without any further notice to or action by the Bankruptcy Court and the Debtors' Claims Agent shall be authorized as of the Effective Date, to expunge such Proofs of Claim from the claims register.

6.2 Cure of Defaults of Assumed Executory Contracts and Unexpired Leases.

The proposed cure amount for any executory contract or unexpired lease that is assumed pursuant to this Plan shall be zero dollars unless otherwise indicated in a schedule to be filed with the Bankruptcy Court. Any monetary amounts by which each executory contract and unexpired lease to be assumed is in default and not subsequently cured shall be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code, by payment of the default amount in Cash on the Effective Date or on such other terms as the parties to each such executory contract or unexpired lease may otherwise agree. In the event of a dispute regarding (a) the amount of any cure payments, (b) the ability of the Reorganized Debtors or any assignee to provide “adequate assurance of future performance” (within the meaning of section 365 of the Bankruptcy Code) under the contract or lease to be assumed or (c) any other matter pertaining to assumption, the cure payments required by section 365(b)(1) of the Bankruptcy Code shall be made following the entry of a Final Order resolving the dispute and approving the assumption. Pending the Bankruptcy Court’s ruling on such motion, the executory contract or unexpired lease at issue shall be deemed assumed by the relevant Debtor unless otherwise ordered by the Bankruptcy Court.

6.3 Rejection of Executory Contracts and Unexpired Leases.

On the Effective Date, each executory contract and unexpired lease that is listed on Exhibit 6.3 hereto, which shall be filed with the Plan Supplement, shall be rejected pursuant to Section 365 of the Bankruptcy Code. Each contract or lease listed on Exhibit 6.3 hereto shall be rejected only to the extent that any such contract or lease constitutes an executory contract or unexpired lease. The Debtors reserve their right to amend Exhibit 6.3 hereto to delete any unexpired lease or executory contract therefrom or add any unexpired lease or executory contract thereto. Listing a contract or lease on Exhibit 6.3 hereto shall not constitute an admission by a Debtor nor a Reorganized Debtor that such contract or lease is an executory contract or unexpired lease or that such Debtor or Reorganized Debtor has any liability thereunder.

6.4 Rejection Damages Bar Date.

If the rejection by a Debtor, pursuant to the Plan, of an executory contract or unexpired lease results in a Claim, then such Claim shall be forever barred and shall not be enforceable against any Debtor or Reorganized Debtor, or the properties of any of them, unless a Proof of Claim is filed and served upon counsel to the Debtors within thirty (30) days after service of the notice that the executory contract or unexpired lease has been rejected.

6.5 Compensation and Benefit Programs.

Except as set forth in Article IV.C.2 of the Disclosure Statement and such other Employee Benefit Plans as may be disclosed in the Plan Supplement, the Reorganized Debtors shall continue to perform their obligations under all Employee Benefit Plans and all such Employee Benefit Plans shall be assumed by the applicable Reorganized Debtors; provided, however, that nothing in the Plan shall limit, diminish or otherwise alter the Reorganized Debtors’ defenses, claims, causes of action, or other rights with respect to the interpretation, application or enforcement of any such Employee Benefit Plan or the payment of any Employee

Benefit Claim, including the Reorganized Debtors' rights to amend, modify or terminate any such Employee Benefit Plan either prior to or after the Effective Date. The Debtors will address the inclusion in this Plan of the "Transition MIP" (or "TMIP") and the "Key Operators Bonus" (or "KOB"), each as defined in the 2009 MIP Motion, in a supplement that will be filed by the Debtors prior to the hearing on the approval of the Disclosure Statement.

6.6 Collective Bargaining Agreements.

Upon the Effective Date, any Collective Bargaining Agreement entered into by the Debtors that has not expired by its terms and is in effect as of the Effective Date shall be deemed to have been assumed in accordance with, and subject to, the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code. Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the survival, and/or the pertinent Debtor's assumption of the Collective Bargaining Agreements then in effect, except to the extent that such agreements have already been assumed prior to the entry of the Confirmation Order.

6.7 Post-Petition Contracts and Leases.

All contracts, agreements and leases that were entered into by the Debtors or assumed by the Debtors after the Petition Date shall be deemed assigned by such Debtors to the Reorganized Debtors, including any successor to any Reorganized Debtor after giving effect to the Restructuring Transactions, on the Effective Date.

6.8 Termination of ESOP.

Upon the Effective Date, the ESOP shall be deemed terminated in accordance with its terms, and the amount of unpaid principal and interest remaining on the ESOP Note dated April 1, 2007 shall be forgiven pursuant to section 6.3 of the ESOP Loan Agreement by and between Tribune and GreatBanc Trust Company, not in its individual or corporate capacity, but solely as trustee of the Tribune Employee Stock Ownership Trust dated April 1, 2007. In connection with Tribune's forgiveness of the balance due under the ESOP Note, the Debtors will seek, in their sole discretion, (1) confirmation that Tribune has a right under the ESOP Plan and ESOP Note to forgive the ESOP's obligations; (2) confirmation that Tribune's forgiveness of any post-petition payments due from the ESOP in connection with the ESOP Note, including, without limitation, the payment due on or about April 1, 2009, was in compliance with the ESOP Note and ESOP Plan and satisfied Tribune's obligations, if any, under the ESOP Plan to make a contribution to the ESOP during the relevant time period; (3) a determination of the amount of the balance of the ESOP Note being forgiven, the value of any obligations of the ESOP owed to Tribune under the ESOP Note, and the legal effect of the forgiveness of the ESOP Note. Approval of this Plan is not conditioned upon these determinations, but these determinations may be sought in connection with this Plan.

ARTICLE VII: PROVISIONS GOVERNING DISTRIBUTIONS

7.1 General.

Unless the Holder of an Allowed Claim or Allowed Interest against any of the Debtors and the Debtors or the Reorganized Debtors agree to a different distribution date or

except as otherwise provided herein or as ordered by the Bankruptcy Court, distributions to be made on account of Claims or Interests that are Allowed as of the Effective Date shall be made on the Initial Distribution Date or as soon thereafter as is practicable. Any payment or distribution required to be made under this Plan on a day other than a Business Day shall be made on the next succeeding Business Day.

7.2 Distributions for Certain Claims.

7.2.1 Distributions to Holders of Other Parent Claims.

(a) Other Parent Claims Reserve. On or as soon as practicable after the Effective Date, Reorganized Tribune shall establish one or more Other Parent Claims Reserve(s) to make distributions to Holders of Disputed Claims that become Allowed Other Parent Claims after the Effective Date. The amount of Distributable Cash contributed to the Other Parent Claims Reserve(s) shall be equal to the amount of Distributable Cash necessary to satisfy the distributions required to be made pursuant to this Plan based upon the Face Amount of Disputed Other Parent Claims that may be entitled to receive a distribution of Distributable Cash if such Disputed Claims are subsequently Allowed Other Parent Claims.

(b) Distributions On Account of Disputed Claims Once Allowed. On each Quarterly Distribution Date, the Disbursing Agent shall make distributions of Distributable Cash, in accordance with the terms of the Plan, from the Other Parent Claims Reserve(s) to each Holder of a Disputed Claim that has become an Allowed Other Parent Claim during the preceding calendar quarter and that is entitled to receive such a distribution. On or as soon as practicable after the Final Distribution Date, after distributions are made to Holders of Disputed Claims that have become Allowed Other Parent Claims during the preceding calendar quarter, any Distributable Cash remaining in the Other Parent Claims Reserve(s) shall be distributed Pro Rata to the Holders of Allowed Loan Claims against Tribune.

7.2.2 Distributions to Holders of General Unsecured Claims Against Filed Subsidiary Debtors.

(a) Subsidiary GUC Reserve. If pursuant to Section 3.3.4(c) of this Plan, Holders of Allowed Claims in Classes 2E through 11E shall receive their Pro Rata share of \$150 million or any other amount, rather than receiving payment in full in Cash, on or as soon as practicable after the Effective Date, Reorganized Tribune shall establish one or more Subsidiary GUC Reserve(s) to make distributions to Holders of Disputed Claims that become Allowed General Unsecured Claims against a Filed Subsidiary Debtor after the Effective Date. The amount of Cash contributed to the Subsidiary GUC Reserve(s) shall be equal to the amount of Cash necessary to satisfy the distributions required to be made pursuant to this Plan based upon the Face Amount of Disputed Claims that may be entitled to receive a distribution of Cash if such Disputed Claims are subsequently Allowed General Unsecured Claims against such Debtors.

(b) Distributions On Account of Disputed Claims Once Allowed. If one or more Subsidiary GUC Reserves are established, on each Quarterly Distribution Date, the Disbursing Agent shall make distributions of Cash, in accordance with the terms of this Plan,

from the Subsidiary GUC Reserve(s) to each Holder of a Disputed Claim that has become an Allowed General Unsecured Claim against a Filed Subsidiary Debtor during the preceding calendar quarter and that is entitled to receive such a distribution. On or as soon as practicable after the Final Distribution Date, after initial distributions are made to Holders of Disputed Claims that have become Allowed General Unsecured Claims against a Filed Subsidiary Debtor during the preceding calendar quarter, any Cash remaining in the Subsidiary GUC Reserve(s) shall be distributed Pro Rata to the Holders of Allowed General Unsecured Claims entitled to receive such distributions in accordance with the terms of this Plan; provided, however, that no Holder of an Allowed General Unsecured Claim shall receive more than payment in full of the principal amount of such Claim and no Holder of an Allowed General Unsecured Claim shall receive post-petition interest.

7.3 Special Provisions Governing Distributions to Holders of Loan Claims and Loan Guaranty Claims.

Other than as specifically set forth in this Plan, distributions made on account of Loan Claims and Loan Guaranty Claims shall be made by the Disbursing Agent to the applicable Loan Agent for further distribution in accordance with the terms of the applicable Loan Agreement or Loan Guaranty Agreement. In order to comply with the contractual subordination provisions in the Loan Guaranty Agreements, all distributions made on behalf of the Holders of Allowed Bridge Loan Guaranty Claims shall be distributed to the Senior Loan Agent, and no distribution shall be provided to Holders of Allowed Bridge Loan Guaranty Claims.

7.4 Interest on Claims.

Except as otherwise specifically provided for in this Plan, the Confirmation Order or other order of the Bankruptcy Court (including, without limitation, the Final DIP Order), or required by applicable bankruptcy law, post-petition interest shall not be paid on any Claims, and no Holder of a Claim shall be entitled to be paid interest accruing on or after the Petition Date on any Claim without regard to whether such amount has accrued for federal income tax purposes. Any post-petition interest that has been accrued for federal income tax purposes shall be cancelled as of the Effective Date.

7.5 Distributions by Disbursing Agent.

7.5.1 Other than as specifically set forth in this Plan, the Disbursing Agent shall make all distributions required to be made under the Plan. The Reorganized Debtors may act as Disbursing Agent or may employ or contract with other entities to act as the Disbursing Agent or to assist in or make the distributions required by this Plan. Law Debenture shall act as the Disbursing Agent for the Senior Noteholder Claims for which it is the Indenture Trustee.

7.5.2 Other than as specifically set forth in this Plan, the distributions to be made on account of Senior Noteholder Claims shall be made in accordance with the terms of the particular Indenture or in accordance with this Plan where such Indenture is silent.

7.6 Delivery of Distributions and Undeliverable or Unclaimed Distributions.

7.6.1 Delivery of Distributions in General. Distributions to Holders of Allowed Claims shall be made at the addresses set forth in the Debtors' records unless such addresses are superseded by Proofs of Claim or transfers of claim filed pursuant to Bankruptcy Rule 3001.

7.6.2 Undeliverable and Unclaimed Distributions.

(a) General. The Reorganized Debtors and the Disbursing Agent shall have no duty to make distributions to any Holder of an Allowed Claim with an undeliverable address as determined by any undeliverable or returned notice to the Debtors since the commencement of the Chapter 11 Cases unless and until the Reorganized Debtors or the Disbursing Agent are notified in writing of such Holder's then-current address prior to the Distribution Record Date. If the distribution to any Holder of an Allowed Claim or Interest is returned to the Reorganized Debtors or the Disbursing Agent as undeliverable or is otherwise unclaimed, no further distributions shall be made to such Holder unless and until the Reorganized Debtors or the Disbursing Agent are notified in writing of such Holder's then-current address.

(b) Non-Negotiated Check Voucher Distributions. Checks issued on account of Allowed Claims shall be null and void if not negotiated within ninety (90) calendar days from and after the date of issuance thereof. Requests for reissuance of any check must be made directly and in writing to the Disbursing Agent by the Holder of the relevant Allowed Claim within the 90-calendar-day period. After such date, such Allowed Claim (and any Claim for reissuance of the original check) shall be automatically discharged and forever barred, and such funds shall revert to the Reorganized Debtors, notwithstanding any federal or state escheat laws to the contrary.

(c) Failure to Claim Undeliverable Distributions. Except as otherwise expressly provided in this Plan, any Holder of an Allowed Claim or Interest that does not assert a claim pursuant to this Plan for an undeliverable or unclaimed distribution within one (1) year after the Effective Date shall be deemed to have forfeited its claim for such undeliverable or unclaimed distribution and shall be forever barred and enjoined from asserting any such claim for an undeliverable or unclaimed distribution against the Debtors or their Estates or the Reorganized Debtors or their property. In such cases, any Cash for distribution on account of such claims for undeliverable or unclaimed distributions shall become the property of the Estates and the Reorganized Debtors free of any restrictions thereon and notwithstanding any federal or state escheat laws to the contrary. Any New Common Stock or New Warrants held for distribution on account of such Claim shall be canceled and of no further force or effect. Nothing contained in this Plan shall require any Disbursing Agent, including, but not limited to, the Reorganized Debtors, to attempt to locate any Holder of an Allowed Claim or Interest.

7.7 Record Date for Distributions.

7.7.1 With the exception of Senior Noteholder Claims, the Reorganized Debtors and the Disbursing Agent will have no obligation to recognize the transfer of, or the sale of any participation in, any Claim or Interest that occurs after the close of business on the Distribution Record Date, and will be entitled for all purposes herein to recognize and distribute only to those Holders of Allowed Claims or Interests (including Holders of Claims and Interests that become

Allowed after the Distribution Record Date) that are Holders of such Claims or Interests, or participants therein, as of the close of business on the Distribution Record Date. With the exception of the Senior Noteholder Claims, the Reorganized Debtors and the Disbursing Agent shall instead be entitled to recognize and deal for all purposes under this Plan with only those record holders stated on the official claims register as of the close of business on the Distribution Record Date.

7.7.2 Distributions to Holders of Senior Noteholder Claims shall be made by means of book-entry exchange through the facilities of DTC in accordance with the customary practices of DTC, as and to the extent practicable, and the Distribution Record Date shall not apply. In connection with such book-entry exchange, each Senior Notes Indenture Trustee shall deliver instructions to DTC instructing DTC to effect distributions on a Pro Rata basis as provided under this Plan with respect to such Claims upon which such Senior Notes Indenture Trustee acts as trustee. Subject to Section 7.5.2 of this Plan, distributions of Cash to Holders of Allowed Senior Noteholder Claims shall be made to the applicable Senior Notes Indenture Trustees, which, in turn, shall make such distributions to the applicable Holders subject to the respective rights, claims and interests, if any, that the Senior Notes Indenture Trustees may have under the applicable Senior Notes Indentures or otherwise to the recovery and/or reimbursement of their fees, costs and expenses (including the fees, costs and expenses of counsel and financial advisors) from any distribution hereunder to the Holders of Allowed Senior Noteholder Claims, whether such rights, claims or interests are in the nature of a charging lien or otherwise.

7.8 Allocation of Plan Distributions Between Principal and Interest.

Except as otherwise expressly provided in this Plan, to the extent that any Allowed Claim entitled to a distribution under this Plan is comprised of indebtedness and accrued but unpaid interest thereon, such distribution shall, for all income tax purposes, be allocated to the principal amount of the Claim first and then, to the extent that the consideration exceeds the principal amount of the Claim, to the portion of such Claim representing accrued but unpaid interest.

7.9 Means of Cash Payment.

Payments of Cash made pursuant to this Plan shall be made, at the option and in the sole discretion of the Reorganized Debtors, by (a) checks drawn on, (b) automated clearing house transfer from, or (c) wire transfer from a bank selected by the Reorganized Debtors. Cash payments to foreign creditors may be made, at the option of the Reorganized Debtors, in such funds and by such means as are necessary or customary in a particular foreign jurisdiction.

7.10 Withholding and Reporting Requirements.

In connection with this Plan and all distributions hereunder, the Reorganized Debtors or the Disbursing Agent, as applicable, shall comply with all withholding and reporting requirements imposed by any federal, state, local or foreign taxing authority, and all distributions hereunder shall be subject to any such withholding and reporting requirements. The Reorganized Debtors shall be authorized to take any and all actions that may be necessary or appropriate to comply with such withholding and reporting requirements. All persons holding Claims or

Interests shall be required to provide any information necessary to effect information reporting and the withholding of such taxes. Notwithstanding any other provision of this Plan, (a) each Holder of an Allowed Claim that is to receive a distribution pursuant to this Plan shall have sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any governmental unit, including income, withholding and other tax obligations, on account of such distribution and (b) no distribution shall be made to or on behalf of such Holder pursuant to this Plan unless and until such Holder has made arrangements satisfactory to the Reorganized Debtors for the payment and satisfaction of such tax obligations. Nothing in the preceding sentence shall affect distributions under this Plan to the Senior Loan Agent, the Bridge Loan Agent, the Senior Notes Indenture Trustees or the Holders of Allowed Loan Claims, Loan Guaranty Claims or Senior Noteholder Claims.

7.11 Setoffs.

The Reorganized Debtors may, pursuant to section 553 of the Bankruptcy Code or applicable nonbankruptcy laws, but shall not be required to, set off against any Claim (other than Allowed Claims in Classes 1C and 50C through 111C, which under no circumstances shall be subject to set off) the payments or other distributions to be made pursuant to this Plan in respect of such Claim, or claims of any nature whatsoever that the Debtors or the Reorganized Debtors may have against the Holder of such Claim; provided, however, that neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Reorganized Debtors of any such claim that the Debtors or the Reorganized Debtors may have against such Holder.

7.12 Fractional Shares.

No fractional shares of New Common Stock or New Warrants shall be distributed. Where a fractional share would otherwise be called for, the actual issuance shall reflect a rounding up (in the case of more than .50) of such fraction to the nearest whole share of New Common Stock or New Warrant or a rounding down of such fraction (in the case of .50 or less than .50) to the nearest whole share of New Common Stock or New Warrant. The total number of shares of New Common Stock or New Warrants to be distributed pursuant to this Plan shall be adjusted as necessary to account for the rounding provided for herein.

7.13 De Minimis Distributions.

No distribution shall be made by the Disbursing Agent on account of an Allowed Claim if the amount to be distributed to the specific Holder of an Allowed Claim on the applicable Distribution Date has an economic value of less than \$25.

7.14 Special Provision Regarding Unimpaired Claims.

Except as otherwise explicitly provided in this Plan, nothing shall affect the Debtors' or the Reorganized Debtors' rights and defenses, both legal and equitable, with respect to any Unimpaired Claims, including, but not limited to, all rights with respect to legal and equitable defenses to setoffs or recoupments against Unimpaired Claims.

7.15 Subordination.

The distributions and treatments provided to Claims and Interests under this Plan take into account and/or conform to the relative priority and rights of such Claims and Interests under any applicable subordination and turnover provisions in any applicable contracts, including, without limitation, the PHONES Notes Indenture and the EGI-TRB LLC Notes, and nothing in this Plan shall be deemed to impair, diminish, eliminate or otherwise adversely affect the rights or remedies of beneficiaries (including, for the avoidance of doubt, their respective Senior Notes Indenture Trustees and Agents, as applicable) of any such contractual subordination and turnover provisions.

ARTICLE VIII: PROVISIONS FOR RESOLVING DISPUTED CLAIMS AND DISPUTED INTERESTS

8.1 Objections to and Estimation of Claims.

After the Effective Date, only the Reorganized Debtors may object to the allowance of any Claim or Administrative Expense Claim. After the Effective Date, the Reorganized Debtors shall be accorded the power and authority to allow or settle and compromise any Claim without notice to any other party, or approval of, or notice to the Bankruptcy Court. In addition, the Debtors or the Reorganized Debtors may, at any time, request that the Bankruptcy Court estimate any contingent or unliquidated Claim pursuant to section 502(c) of the Bankruptcy Code regardless of whether the Debtors or Reorganized Debtors have previously objected to such Claim. Unless otherwise ordered by the Bankruptcy Court, the Reorganized Debtors shall serve and file any objections to Claims and Interests as soon as practicable, but in no event later than (a) two hundred ten (210) days after the Effective Date or (b) such later date as may be determined by the Bankruptcy Court upon a motion which may be made without further notice or hearing.

8.2 Payments and Distributions on Disputed, Contingent and Unliquidated Claims and Interests and on Claims for Which Proofs of Claim are Filed.

No partial payments and no partial distributions will be made with respect to a disputed, contingent or unliquidated Claim or Interest, or with respect to any Claim for which a Proof of Claim has been filed, until the resolution of such disputes or estimation or liquidation of such claims by settlement or by Final Order. On the next Distribution Date after a disputed, contingent or unliquidated Claim or Interest becomes an Allowed Claim or Interest in an amount certain, the Holder of such Allowed Claim or Interest will receive all payments and distributions to which such Holder is then entitled under this Plan.

ARTICLE IX: PAYMENT AND FILING OF PROFESSIONAL FEE CLAIMS

9.1 Payment of Certain Fee and Expense Claims.

9.1.1 Payment of Senior Lender Fee/Expense Claims. Reorganized Tribune shall pay the Senior Lender Fee/Expense Claims in accordance with the procedures set forth in this Section 9.1.1. No later than sixty (60) days after the Effective Date, the Senior Loan Agent and Angelo Gordon shall submit to Reorganized Tribune reasonably detailed statements of the Senior Lender Fee/Expense Claims, which statements shall include descriptions of services provided in summary form without individual time records. Reasonable amounts due under such

statements shall be paid by Reorganized Tribune within thirty (30) days of receipt of such statements. If Reorganized Tribune disputes any amount due under any such statements, Reorganized Tribune and the Senior Loan Agent and/or Angelo Gordon, as applicable, will attempt in good faith to resolve any such dispute. If Reorganized Tribune and the applicable party are unable to resolve the dispute, either party may seek relief from the Bankruptcy Court. The Senior Loan Agent and Angelo Gordon shall provide the Debtors with estimates of the Senior Lender Fee/Expense Claims (which shall include the amount of actual accruals through a date that is no earlier than five (5) days prior to the date of such estimates) on each of the following dates: (a) seven (7) calendar days prior to the filing of the Plan Supplement and (b) seven (7) calendar days prior to the anticipated Effective Date.

9.1.2 Payment of Senior Lender Settlement Fee/Expense Claims. Reorganized Tribune shall pay the Senior Lender Settlement Fee/Expense Claims up to an aggregate amount not to exceed \$5 million unless otherwise reasonably determined by the Senior Lender Settlement Committee, notice of which determination shall be provided to counsel to the Creditors' Committee, in accordance with the procedures set forth in this Section 9.1.2. No later than sixty (60) days after the Effective Date, the applicable Senior Lenders shall submit to Reorganized Tribune reasonably detailed statements of the Senior Lender Settlement Fee/Expense Claims, which statements shall include descriptions of services provided in summary form without individual time records. Reasonable amounts due under such statements up to the aggregate amount permitted by the first sentence of this Section 9.1.2 shall be paid by Reorganized Tribune within thirty (30) days of receipt of such statements. If Reorganized Tribune disputes any amount due under any such statements, Reorganized Tribune and the applicable Senior Lender will attempt in good faith to resolve any such dispute. If the relevant parties are unable to resolve the dispute, either party may seek relief from the Bankruptcy Court. The applicable Senior Lenders shall provide the Debtors with estimates of the Senior Lender Settlement Fee/Expense Claims (which shall include the amount of actual accruals through a date that is no earlier than five (5) days prior to the date of such estimates) on each of the following dates: (a) seven (7) calendar days prior to the filing of the Plan Supplement and (b) seven (7) calendar days prior to the anticipated Effective Date.

9.1.3 Payment of Creditors' Committee Member Fee/Expense Claims. Reorganized Tribune shall pay the Creditors' Committee Member Fee/Expense Claims up to an aggregate amount not to exceed \$1.5 million in accordance with the procedures set forth in this Section 9.1.3. No later than sixty (60) days after the Effective Date, counsel to the Creditors' Committee shall submit to Reorganized Tribune reasonably detailed statements of the Creditors' Committee Member Fee/Expense Claims, which statements shall include descriptions of services provided in summary form without individual time records. Reasonable amounts due under such statements up to the aggregate amount permitted by the first sentence of this Section 9.1.3 shall be paid by Reorganized Tribune within thirty (30) days of receipt of such statements. If Reorganized Tribune disputes any amount due under any such statements, Reorganized Tribune and counsel to the Creditors' Committee and/or the applicable member of the Creditors' Committee will attempt in good faith to resolve any such dispute. If the relevant parties are unable to resolve the dispute, either party may seek relief from the Bankruptcy Court. Counsel to the Creditors' Committee shall provide the Debtors with estimates of the Creditors' Committee Member Fee/Expense Claims (which shall include the amount of actual accruals through a date that is no earlier than five (5) days prior to the date of such estimates) on each of

the following dates: (a) seven (7) calendar days prior to the filing of the Plan Supplement and (b) seven (7) calendar days prior to the anticipated Effective Date.

9.1.4 Payment of Senior Noteholder Fee/Expense Claims. Reorganized Tribune shall pay (a) the Senior Noteholder Fee/Expense Claims and the reasonable and documented internal fees, costs and expenses of Law Debenture incurred in connection with the Chapter 11 Cases on or after the Petition Date through the date of the Settlement Support Agreement up to an aggregate amount not to exceed \$5.25 million and (b) the Senior Noteholder Fee/Expense Claims incurred in connection with the Chapter 11 Cases after the date of the Settlement Support Agreement through and including the Effective Date in respect of actions that are not inconsistent with the Settlement Support Agreement or confirmation of this Plan, in accordance with the procedures set forth in this Section 9.1.4. No later than sixty (60) days after the Effective Date, Law Debenture and Centerbridge shall submit to Reorganized Tribune reasonably detailed statements of their respective Senior Noteholder Fee/Expense Claims, which statements shall include descriptions of services provided in summary form without individual time records. Reasonable amounts due under such statements up to the amounts permitted by the first sentence of this Section 9.1.4 shall be paid by Reorganized Tribune within thirty (30) days of receipt of such statements. If Reorganized Tribune disputes any amount due under any such statements, Reorganized Tribune and Centerbridge and Law Debenture, as applicable, will attempt in good faith to resolve any such dispute. If the relevant parties are unable to resolve the dispute, either party may seek relief from the Bankruptcy Court. Centerbridge and Law Debenture shall provide the Debtors with estimates of their respective Senior Noteholder Fee/Expense Claims incurred from the date of the Settlement Support Agreement through and including the Effective Date (which shall include the amount of actual accruals through a date that is no earlier than five (5) days prior to the date of such estimates) on each of the following dates: (a) seven (7) calendar days prior to the filing of the Plan Supplement and (b) seven (7) calendar days prior to the anticipated Effective Date.

9.2 Bar Date for Payment or Reimbursement of Professional Fees and Expenses and Claims for Substantial Contribution.

All final requests for compensation or reimbursement of the fees of any professional employed pursuant to sections 327 or 1103 of the Bankruptcy Code or otherwise in the Chapter 11 Cases, including any Claims for making a substantial contribution under section 503(b)(4) of the Bankruptcy Code, must be filed and served on the Reorganized Debtors and their counsel, together with the Bankruptcy Court-appointed fee examiner, and the Office of the United States Trustee, not later than sixty (60) days after the Effective Date, unless otherwise ordered by the Bankruptcy Court. Objections to applications of such professionals or other entities for compensation or reimbursement of expenses must be filed and served on the parties specified above in this Section 9.2 and the requesting professional or other entity not later than twenty (20) days after the date on which the applicable application for compensation or reimbursement was served; provided, however, that the following protocol shall apply to the fee examiner previously appointed by the Bankruptcy Court in the Chapter 11 Cases in lieu of such twenty (20) day objection deadline:

(i) applicants shall submit all final requests for compensation or reimbursement of fees and expenses, and any responses provided for below, in the format

required by the Bankruptcy Code, the Bankruptcy Rules, the Local Rules of Practice and Procedure for the United States Bankruptcy Court for the District of Delaware, the Guidelines of the Office of the United States Trustee, and applicable orders of the Bankruptcy Court;

(ii) if the fee examiner has any questions for any applicant, the fee examiner may communicate such questions in writing to the applicant in an initial report (an “Initial Report”) within thirty (30) days after the date on which the applicable application for compensation or reimbursement was served on the fee examiner;

(iii) any applicant who receives such an Initial Report and wishes to respond thereto shall respond within twenty (20) days after the date of the Initial Report;

(iv) within thirty (30) days after the date on which any response to an Initial Report is served on the fee examiner (or, if no such response is served, within thirty (30) days after the deadline for serving such Initial Report has passed), the fee examiner shall file with the Court a final report with respect to each such application for compensation or reimbursement; and

(v) within fifteen (15) days after the date of the final report, the subject applicant may file with the Court a response to such final report.

Notwithstanding the foregoing, the fee examiner and a professional may agree to extend any of the time periods set forth in items (ii) through (v) above with respect to any application filed by such professional. In addition, notwithstanding the foregoing provisions of this Section 9.2, those professionals retained by the Debtors pursuant to that certain Order Authorizing the Debtors to Retain, Employ, and Compensate Certain Professionals Utilized by the Debtors in the Ordinary Course of Business entered by the Bankruptcy Court on January 15, 2009 [D.I. 227] shall continue to be compensated in accordance with the provisions of such Order, and shall not be subject to the final application procedures set forth in this Section 9.2.

ARTICLE X: CONFIRMATION AND CONSUMMATION OF THE PLAN

10.1 Conditions to Effective Date.

10.1.1 This Plan shall not become effective and the Effective Date shall not occur unless and until the following conditions shall have been satisfied or waived in accordance with Section 10.2:

(a) The Confirmation Order confirming this Plan, as this Plan may have been modified in accordance with the terms hereof, shall conform to this Plan in all respects and shall have been entered by the Bankruptcy Court in form and substance reasonably satisfactory to the Debtors, Senior Lender Settlement Committee and the Creditors’ Committee.

(b) The Confirmation Order shall authorize and approve the Global Settlement.

(c) The Certificate of Incorporation and By-Laws and any amended certificates or articles of incorporation, certificates of formation, limited liability company

agreements, partnership agreements or similar governing documents of the other Debtors, as necessary, shall have been adopted and filed with the applicable authorities of the relevant jurisdictions and shall become effective on the Effective Date in accordance with such jurisdictions' laws.

(d) All authorizations, consents, certifications, approvals, rulings, no-action letters, opinions or other documents or actions required by any law, regulation or order to be received or to occur in order to implement this Plan on the Effective Date shall have been obtained or shall have occurred unless failure to do so will not have a material adverse effect on the Reorganized Debtors.

(e) At least seven (7) members of the board of directors of Reorganized Tribune shall have been selected and shall have expressed a willingness to serve on the board of directors of Reorganized Tribune.

(f) All other documents and agreements necessary to implement this Plan on the Effective Date shall have been executed and delivered and all other actions required to be taken in connection with the Effective Date shall have occurred.

(g) All consents, approvals and waivers from the FCC that are necessary or that the Debtors deem appropriate to consummate the transactions contemplated herein and to continue the operation of the Debtors' ownership structure shall have been obtained in form and substance reasonably satisfactory to the Debtors and the Senior Lender Settlement Committee.

(h) The Confirmation Order shall include the language set forth in Section 11.3 and Section 11.4 of this Plan.

10.2 Waiver of Conditions.

Except for the condition set forth in Section 10.1.1(b) (which may not be waived, modified or amended), each of the remaining conditions set forth in Section 10.1.1 may be waived in whole or in part by the Debtors with the consent of the Senior Lender Settlement Committee, such consent not to be unreasonably withheld, without the need for notice or a hearing; provided, however, that the Debtors may not waive any condition the waiver of which is proscribed by law.

10.3 Consequences if Confirmation Order is Vacated.

If the Confirmation Order is vacated, (a) this Plan shall be null and void in all respects; (b) any settlement of Claims or Interests provided for herein shall be null and void without further order of the Bankruptcy Court; and (c) the time within which the Debtors may assume and assign or reject all executory contracts and unexpired leases of personal property shall be extended for a period of one hundred twenty (120) days after the date the Confirmation Order is vacated.

ARTICLE XI: INJUNCTIONS, RELEASES AND DISCHARGE

11.1 Discharge.

11.1.1 Discharge of Claims and Termination of Interests.

(a) As of the Effective Date, except as provided in this Plan, the distributions and rights afforded under this Plan and the treatment of Claims and Interests under this Plan shall be in exchange for, and in complete discharge of, all Claims against the Debtors, and in satisfaction of all Interests and the termination of Interests in Tribune. In accordance with Section 7.4, as of the Effective Date any interest accrued on Claims against the Debtors from and after the Petition Date shall be cancelled. Accordingly, except as otherwise provided in this Plan or the Confirmation Order, confirmation of the Plan shall, as of the Effective Date, (i) discharge the Debtors from all Claims or other debts that arose before the Effective Date, and all debts of the kind specified in sections 502(g) or 502(i) of the Bankruptcy Code, whether or not (x) a Proof of Claim based on such debt is filed or deemed filed pursuant to section 501 of the Bankruptcy Code, (y) a Claim based on such debt is Allowed pursuant to section 502 of the Bankruptcy Code (or is otherwise resolved), or (z) the Holder of a Claim based on such debt has accepted the Plan; and (ii) satisfy, terminate or cancel all Interests and other rights of equity security holders in the Debtors except as otherwise provided in the Plan. In addition, confirmation of the Plan shall, as of the Effective Date, authorize the release of the Senior Loan Guaranty Claims and the Bridge Loan Guaranty Claims against the Guarantor Non-Debtors.

(b) As of the Effective Date, except as provided in this Plan, all Persons shall be precluded from asserting against the Debtors or the Reorganized Debtors, or their respective successors or property, any other or further Claims, debts, rights, causes of action, liabilities or Interests based upon any act, omission, transaction or other activity of any kind or nature that occurred prior to the Petition Date and from asserting against the Guarantor Non-Debtors any Senior Loan Guaranty Claims or Bridge Loan Guaranty Claims. In accordance with the foregoing, except as provided in the Plan or the Confirmation Order, the Confirmation Order shall constitute a judicial determination, as of the Effective Date, of the discharge of all such Claims and other debts and liabilities of the Debtors, pursuant to sections 524 and 1141 of the Bankruptcy Code, and such discharge shall void and extinguish any judgment obtained against the Debtors or the Reorganized Debtors at any time, to the extent such judgment is related to a discharged Claim.

11.1.2 Discharge Injunction. Except as provided in this Plan or the Confirmation Order, as of the Effective Date, all Persons that hold, have held, or may hold a Claim or other debt or liability that is discharged, or an Interest or other right of an equity security holder that is terminated pursuant to the terms of this Plan, are permanently enjoined from taking any of the following actions on account of, or on the basis of, such discharged Claims, debts or liabilities, or terminated Interests or rights: (i) commencing or continuing any action or other proceeding against the Debtors, the Reorganized Debtors or their respective property; (ii) enforcing, attaching, collecting or recovering any judgment, award, decree or order against the Debtors, the Reorganized Debtors or their respective property; (iii) creating, perfecting or enforcing any Lien or encumbrance against the Debtors, the Reorganized Debtors or their respective property; (iv) asserting any setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due the Debtors, the Reorganized Debtors or their respective property; and (v) commencing or continuing any judicial or administrative

proceeding, in any forum, that does not comply with or is inconsistent with the provisions of this Plan.

11.2 Releases.

11.2.1 Releases by Debtors and Estates. Except for those Claims expressly preserved in Section 11.2.6 of this Plan, on the Effective Date and effective simultaneously with the effectiveness of this Plan, the Reorganized Debtors on their own behalf and as representatives of their respective estates, release unconditionally and hereby cause the Subsidiary Non-Debtors to release unconditionally, and are hereby deemed to release unconditionally, each and all of the Released Parties of and from any and all claims, obligations, suits, judgments, damages, debts, rights, remedies, causes of action and liabilities of any nature whatsoever (including, without limitation, the LBO-Related Causes of Action and those arising under the Bankruptcy Code, including any avoidance claims), whether known or unknown, foreseen or unforeseen, liquidated or unliquidated, matured or unmatured, existing or hereafter arising, in law, equity, or otherwise, that are or may be based in whole or in part upon any act, omission, transaction, event or other occurrence taking place or existing on or prior to the Effective Date that are in connection with the Debtors or any of them, or their respective assets, property and Estates, the Chapter 11 Cases or the Plan, the Disclosure Statement or the Restructuring Transactions (the “Debtor Released Claims”); provided, however, that, with the exception of LBO-Related Causes of Action, nothing in this Section shall be construed to release any party from willful misconduct or gross negligence as determined by a Final Order. The releases contained in this Section shall not apply to or otherwise affect the Morgan Stanley Claims or the obligations of any of the Debtors’ officers or directors to repay loans or advances of money or other property contractually owed to the Debtors or their Estates or with respect to loans or advances of money that the Debtors guaranteed on behalf of such officers or directors. On the Effective Date, each Guarantor Non-Debtor will provide each Holder of a Loan Guaranty Claim against the Guarantor Non-Debtors and the Senior Loan Agent and Bridge Loan Agent a release of such scope in consideration for the Guarantor Non-Debtor Release contemplated hereby.

11.2.2 Releases by Holders of Claims and Interests. Except as otherwise expressly provided in this Plan or the Confirmation Order, on the Effective Date and effective simultaneously with the effectiveness of this Plan, each Person (a) that has voted to accept the Plan or is deemed to have accepted the Plan, (b) that has not voted to accept the Plan but that has received a Ballot and that has not opted out of the releases in this Section 11.2.2, or (c) who otherwise agrees to provide the releases set forth in this Section 11.2.2, shall be deemed to have unconditionally released each and all of the Released Parties of and from any and all claims, obligations, suits, judgments, damages, debts, rights, remedies, causes of action and liabilities of any nature whatsoever (including, without limitation, the LBO-Related Causes of Action and those arising under the Bankruptcy Code, including any avoidance claim), whether known or unknown, foreseen or unforeseen, liquidated or unliquidated, matured or unmatured, existing or hereafter arising, in law, equity, or otherwise, that are or may be based in whole or in part upon any act, omission, transaction, event or other occurrence taking place or existing on or before the Effective Date that are in connection with the Debtors or any of them, or their respective assets, property and Estates, the Chapter 11 Cases or the Plan, Disclosure Statement or the Restructuring Transactions (the “Holder Released Claims” and together with the Debtor

Released Claims the “Released Claims”); provided, however, that no agent or indenture trustee is, by virtue of giving its own release hereunder, releasing individual claims, if any, of lenders or noteholders for which it acts as agent or indenture trustee that are not themselves Released Parties. Furthermore, notwithstanding the foregoing, such release, waiver and discharge shall not operate as a release, waiver or discharge of, except as provided in Section 11.2.5 hereof with respect to the Guarantor Non-Debtors, any express contractual obligation of any non-Debtor party due to any other non-Debtor party.

11.2.3 Failure to Grant Release. Any Holder of a Claim or Interest that has timely submitted to the Debtors or filed with the Court a Ballot opting not to grant the releases set forth in Section 11.2.2 shall not receive the benefit of the releases set forth in Section 11.2 (if otherwise entitled).

11.2.4 Injunction Related to Releases. Except as provided in this Plan or the Confirmation Order, as of the Effective Date, all Persons that hold, have held, or may hold a Claim or other debt, right, cause of action or liability that is released pursuant to the provisions of the Plan are permanently enjoined from taking any of the following actions on account of or based upon such released Claims, debts, rights, causes of action or liabilities: (i) commencing or continuing any action or other proceeding against the Released Parties or their respective property; (ii) enforcing, attaching, collecting or recovering any judgment, award, decree or order against the Released Parties or their respective property; (iii) creating, perfecting or enforcing any Lien or encumbrance against the Released Parties or their respective property; (iv) asserting any setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due the Released Parties or against their respective property; and (v) commencing or continuing any judicial or administrative proceeding, in any forum, that does not comply with or is inconsistent with the provisions of this Plan.

11.2.5 Release of Guarantor Non-Debtors from Senior Loan Guaranty Claims and Bridge Loan Guaranty Claims. All Holders of Loan Guaranty Claims against the Guarantor Non-Debtors shall be deemed on the Effective Date to have granted the Guarantor Non-Debtor Release and the Guarantor Non-Debtors shall be unconditionally relieved from any liability to the Senior Lenders or the Bridge Lenders on account of the Senior Loan Guaranty Claims or the Bridge Loan Guaranty Claims and the Senior Loan Agent and the Bridge Loan Agent, respectively, shall be unconditionally relieved from any liability of any nature whatsoever to such Holders as a result of the release of the Guarantor Non-Debtors from any and all Senior Loan Guaranty Claims and Bridge Loan Guaranty Claims; provided that the Guarantor Non-Debtor Release is dependent upon and only effective upon (i) the execution by each of the Guarantor Non-Debtors of a guaranty of the New Senior Secured Term Loan pursuant to and to the extent provided in Section 5.6 of this Plan, (ii) the unconditional release by each of the Guarantor Non-Debtors, in form and substance acceptable to the Senior Lender Settlement Committee as of the Effective Date, of each of the Holders of Loan Guaranty Claims and the Loan Agents of and from any and all Debtor Released Claims, and (iii) the granting by the Guarantor Non-Debtors of Liens on certain property of the Guarantor Non-Debtors pursuant to and to the extent provided in Section 5.6 of this Plan. Pursuant to Bankruptcy Rule 9019, the Bankruptcy Court’s entry of the Confirmation Order shall constitute its approval of this good faith settlement and compromise of the claims released by the Non-Debtor Guarantor Release and adequate factual findings that the Non-Debtor Guarantor Release is: (1) fair, equitable and

reasonable; (2) necessary and essential to the Debtors' successful reorganization; (3) in exchange for good and valuable consideration provided by the Guarantor Non-Debtors and the Agents; (4) warranted by the exceptional and unique circumstances of the Debtors' reorganization; and (5) consistent with public policy and due process principles.

11.2.6 Release of Chapter 5 Causes of Action. In addition to the releases set forth herein, the Debtors and the Reorganized Debtors shall not file, commence, or pursue any claim, right or cause of action under Chapter 5 of the Bankruptcy Code or seek to disallow any Claim to the extent it may be avoidable, except that the following claims are expressly preserved: (a) the Morgan Stanley Claims and (b) any claims, rights or causes of action related to set-offs against amounts owing to the Debtors, provided that the Debtors shall not set-off against any distributions under this Plan to Holders of Allowed Claims in Classes 1C, 1D and 50C through 111C (other than any distributions to MSCS with respect to the Morgan Stanley Claims).

11.2.7 Non-release of Certain Defined Benefit Plans. Notwithstanding anything to the contrary herein, with respect to any Defined Benefit Plan that has not been terminated or does not terminate by its terms prior to the entry of the Confirmation Order, all Claims of, or with respect to, such a Defined Benefit Plan (including any based on fiduciary duties under the Employee Retirement Income Security Act of 1974, as amended) and all Claims of the Pension Benefit Guaranty Corporation, whether or not contingent, under 29 U.S.C. § 1362(b) for unfunded benefit liabilities, under 29 U.S.C. § 1306(a)(7) for termination premiums, and under 29 U.S.C. § 1362(c) for due and unpaid employer contributions shall not be discharged, released, exculpated or otherwise affected by the Plan (including Section 11.2), the entry of the Confirmation Order or the Chapter 11 Cases. Notwithstanding anything to the contrary herein, in the event that a Defined Benefit Plan does not terminate prior to the entry of the Confirmation Order, obligations of the Debtors under the Defined Benefit Plan as of the Effective Date shall become obligations of the applicable Reorganized Debtors and, as required by the Internal Revenue Code of 1986, as amended, or the Employee Retirement Income Security Act of 1974, as amended, the controlled group members.

11.3 Bar Order.

The Confirmation Order shall provide, among other things (and the inclusion of such language, or language substantially similar to the following, and subject to Section 10.2 of this Plan, shall be a condition to the Effective Date):

“ORDERED that all Persons, including without limitation (i) any Persons that are not Released Parties, (ii) Released Parties, and (iii) Persons who have voted for or against the Plan or who are presumed to have voted for or against the Plan under Section 1126(f)-(g) of the Bankruptcy Code (collectively, the “Barred Persons”), are hereby permanently barred, enjoined and restrained from commencing, prosecuting, or asserting in this Court, in any federal or state court, or in any other court, arbitration proceeding, administrative agency, or other forum in the United States or elsewhere any claim for non-contractual indemnity or contribution against any Released Party (including any other non-contractual claim against the Released Parties, whether or not denominated as for contribution or indemnity, where the injury to the Person is the liability of the Person to the Barred Persons), arising out of or reasonably flowing from the

claims or allegations in any of the Released Claims, whether arising under state, federal or foreign law as claims, cross-claims, counterclaims, or third-party claims (collectively, the “Barred Claims”), and with respect to the Barred Claims, the Barred Persons are also entitled to the judgment reduction provisions set forth herein. This Order (the “Bar Order”) is without prejudice to the position of any party as to the existence, in the absence of this Bar Order, of any Barred Claim; and it is further

“ORDERED that no Person acting on behalf of the estate, including any successor to the Debtors, any committee appointed in the Bankruptcy Case, any chapter 7 trustee, any trustee of a litigation trust or any estate representative appointed or selected pursuant to section 1123(b)(3) of the Bankruptcy Code (any of the above, a “Plaintiff”), may assert or bring a Released Claim. In the event any such Plaintiff obtains a judgment or award (a “Judgment”) against any Person with respect to one or more causes of action based upon, arising from, or related to the Released Claims or any transactions underlying any Released Claims then, with respect to any actual, potential or asserted liability of a Released Party to any Person for the Barred Claims in respect of such Judgment, the Plaintiff shall, prior to or in connection with the entry of such Judgment, provide notice of this Bar Order to the court or tribunal in which such Judgment was obtained, and the court or tribunal shall reduce such Judgment against such Person in an amount that is the greater of (i) the amount of the consideration provided pursuant to the Global Settlement by the Released Party or Parties against whom there would have been a Barred Claim in the absence of this Bar Order, or (ii) the amount equal to the Judgment against any such Person times the aggregate proportionate share of fault (expressed as a percentage) of the Released Party or Parties against whom there would have been a Barred Claim in the absence of this Bar Order. In the event that Judgment shall be entered against any Person without a prior or concurrent determination as to the existence of a Barred Claim (and, in the event of a determination of the existence of a Barred Claim, without a reduction of such Judgment), such Judgment shall not, and shall be deemed not to, give rise to any Barred Claim; and it is further

“ORDERED that if any Plaintiff enters into a settlement with any Person with respect to one or more causes of action based upon, arising from, or related to the Released Claims or any transaction underlying any Released Claim, then such Plaintiff shall cause to be included, and in all events, the settlement shall be deemed to include, a dismissal, release and waiver of any Barred Claims with respect to such settlement.”

11.4 Supplemental Injunction.

In order to supplement the injunctive effect of the Discharge Injunction, and pursuant to sections 524 and 105(a) of the Bankruptcy Code, the Confirmation Order shall provide for the following injunction to take effect as of the Effective Date.

11.4.1 Terms. In order to preserve and promote the settlements contemplated by and provided for in this Plan, and to supplement, where necessary, the injunctive effect of the discharge as provided in sections 1141 and 524 of the Bankruptcy Code and as described in this Article XI, except as otherwise provided in this Plan, all entities which have held or asserted, which hold or assert or which may hold or assert any claim, demand or cause of action against the Released Parties (or any of them) based upon, attributable to, or arising out of any Claim against or Interest in any of the Debtors, whenever and wherever arising or

asserted, whether in the U.S. or anywhere else in the world, whether sounding in tort, contract, warranty or any other theory of law, equity or admiralty, shall be permanently stayed, restrained and enjoined from taking any action against the Released Parties for the purpose of directly or indirectly collecting, recovering or receiving payments or recovery with respect to any such claim, demand or cause of action arising prior to the Effective Date, including, but not limited to:

(a) *commencing or continuing in any manner any action or other proceeding of any kind with respect to any such claim, demand or cause of action against any of the Released Parties, or against the property of any Released Party;*

(b) *enforcing, attaching, collecting or recovering, by any manner or means, any judgment, award, decree or order against any of the Released Parties or against the property of any Released Party with respect to any such claim, demand or cause of action;*

(c) *creating, perfecting or enforcing any Lien of any kind against any Released Party or the property of any Released Party with respect to any such claim, demand or cause of action;*

(d) *except as otherwise provided in this Plan, asserting, implementing or effectuating any setoff, right of subrogation, indemnity, contribution or recoupment of any kind against any obligation due any Released Party or against the property of any Released Party with respect to any such claim, demand or cause of action; and*

(e) *taking any act, in any manner, in any place whatsoever, that does not conform to, or comply with, the provisions of this Plan relating to such claim, demand or cause of action.*

11.4.2 Bankruptcy Rule 3016 Compliance. *The Debtors' compliance with the formal requirements of Bankruptcy Rule 3016(c) shall not constitute an admission that the Plan provides for an injunction against conduct not otherwise enjoined under the Bankruptcy Code.*

11.5 Disallowed Claims And Disallowed Interests.

On and after the Effective Date, the Debtors and the Reorganized Debtors shall be fully and finally discharged of any and all liability or obligation on a Disallowed Claim or a disallowed Interest, and any Order disallowing a Claim or an Interest which is not a Final Order as of the Effective Date solely because of an entity's right to move for reconsideration of such order pursuant to section 502 of the Bankruptcy Code or Bankruptcy Rule 3008 shall nevertheless become and be deemed to be a Final Order on the Effective Date. The Confirmation Order, except as otherwise provided herein, shall constitute an Order: (a) disallowing all Claims and Interests to the extent such Claims and Interests are not allowable under any provision of section 502 of the Bankruptcy Code, including, but not limited to, time-barred Claims and Interests, and Claims for unmatured interest and (b) disallowing or subordinating to all other Claims, as the case may be, any Claims for penalties, punitive damages or any other damages not constituting compensatory damages.

11.6 Exculpation.

None of the Released Parties and none of the present or former members of the Creditors' Committee (in their capacity as members of the Creditors' Committee), whether or not such members are otherwise Released Parties, shall have or incur any liability to any person or entity for any act or omission in connection with, relating to, or arising out of the Chapter 11 Cases, the negotiation of the Plan, pursuit of confirmation of the Plan, the administration, consummation and implementation of the Plan or the property to be distributed under the Plan, the Disclosure Statement, the Restructuring Transactions, the Plan Supplement, the releases and injunctions, or the management or operation of the Debtors (except for any liability that results from willful misconduct or gross negligence as determined by a Final Order). Any of the Released Parties shall be entitled to rely upon the advice of counsel and financial advisors with respect to their duties and responsibilities under, or in connection with, the Chapter 11 Cases, the Plan, and the administration thereof.

11.7 Corporate Indemnities.

11.7.1 Prepetition Indemnification and Reimbursement Obligations. For purposes of this Plan, the respective obligations of Tribune and the other Debtors to indemnify and reimburse any Persons who are or were directors, officers or employees of the Debtors, against and for any obligations pursuant to certificates or articles of incorporation, certificates of formation, codes of regulation, bylaws, limited liability company agreements, partnership agreements, applicable state or non-bankruptcy law, or specific agreements or any combination of the foregoing, shall survive confirmation of this Plan, remain unaffected thereby, and not be discharged under section 1141 of the Bankruptcy Code, irrespective of whether indemnification or reimbursement is owed in connection with any event occurring before, on or after the Petition Date.

11.7.2 Plan Indemnity. In addition to the obligations set forth in Section 11.7.1 and not by way of limitation thereof, the Reorganized Debtors shall jointly and severally indemnify and hold harmless the Senior Loan Agent, the Senior Lenders, the Bridge Loan Agent, the Bridge Lenders (collectively, the "Indemnified Creditor Parties") and all of their respective Related Persons, in each case in all capacities related to the transactions underlying the LBO-Related Causes of Action, and any natural persons who are or were officers or directors of any of the Debtors (each an "Indemnified Party" and collectively, with the Indemnified Creditor Parties, the "Indemnified Parties"), on account of and with respect to any claim, cause of action, liability, judgment, settlement, cost or expense (including without limitation attorneys' fees) on account of claims or causes of action threatened or asserted by any Person against such parties that seek damages, contribution, indemnity, equitable indemnity, or any similar claim, based upon or as the result of (x) the Released Claims, including without limitation any claims on account of and with respect to any LBO-Related Causes of Action; or (y) Barred Claims or any similar claim based upon or as the result of the assertion of primary claims against any other person by any representative of the Debtors' Estates (the "Covered Claims"); provided, however, that in no event shall the aggregate liability of the Reorganized Debtors to any individual Indemnified Creditor Party and all Related Persons of such Indemnified Creditor Party on account of such indemnity exceed the sum of (i) such Indemnified Creditor Party's pro rata share (calculated based on the proportion that the allowed Loan Claims against Tribune held by such

Indemnified Creditor Party bears to the aggregate amount of all allowed Loan Claims against Tribune held by all Indemnified Creditor Parties) of \$427,582,000, (ii) such Indemnified Creditor Party's pro rata share (calculated based on the proportion that the allowed Senior Loan Guaranty Claims held by such Indemnified Creditor Party bears to the aggregate amount of all allowed Senior Loan Guaranty Claims held by all Indemnified Creditor Parties) of \$83,129,000 and (iii) all costs and/or expenses (including without limitation attorneys' fees) incurred in connection with any Covered Claims by such Indemnified Creditor Party and such Related Persons.

11.7.3 Indemnity for Members of the Creditors' Committee. The Reorganized Debtors shall jointly and severally indemnify and hold harmless the present and former members of the Creditors' Committee and their respective Related Persons (in their capacity as members of the Creditors' Committee), on account of and with respect to any costs and/or expenses (including without limitation attorneys' fees) incurred in connection with any Covered Claims.

11.7.4 Limitation on Indemnification. Except as provided herein with respect to the LBO-Related Causes of Action, the Reorganized Debtors shall not be obligated to indemnify and hold harmless any Person or entity for any claim, cause of action, liability, judgment, settlement, cost or expense that results from such Person's or entity's gross negligence or willful misconduct as determined by a Final Order.

11.7.5 Director and Officer Liability Insurance and Fiduciary Liability Insurance. The Debtors' director and officer liability insurance policies and fiduciary liability insurance policies shall provide coverage for claims made for any wrongful acts or other covered conduct, acts or omissions occurring on or prior to the Effective Date (such coverage also referred to as "tail" coverage) with coverage in scope and substance and on terms no less favorable to the current insureds than the Debtors' insurance policies existing as of the Confirmation Date, which insurance policies shall remain in full force and effect for a period of no less than six (6) years following the Effective Date.

11.7.6 Indemnification Claim Procedures. Claims made by beneficiaries of the indemnities contained in this Section 11.7 shall be submitted, resolved and reimbursed, if applicable, in accordance with the procedures set forth in Exhibit 11.7.6 hereto, to be filed with the Plan Supplement.

11.8 Term of Bankruptcy Injunction or Stays.

All injunctions or stays provided for in the Chapter 11 Cases under sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the Effective Date.

ARTICLE XII: RETENTION OF JURISDICTION

12.1 Retention of Jurisdiction.

Pursuant to sections 105(c) and 1142 of the Bankruptcy Code and notwithstanding entry of the Confirmation Order and the occurrence of the Effective Date, the

Bankruptcy Court will retain exclusive jurisdiction over all matters arising out of, and related to, the Chapter 11 Cases and this Plan to the fullest extent permitted by law, including, among other things, jurisdiction to:

12.1.1 allow, disallow, determine, liquidate, classify, estimate or establish the priority or secured or unsecured status of any Claim or Interest, including the resolution of any request for payment of any Administrative Expense Claim or Priority Tax Claim and the resolution of any objections to the allowance or priority of Claims or Interests;

12.1.2 resolve any matters related to the rejection, assumption or assumption and assignment of any executory contract or unexpired lease to which any Debtor is a party or with respect to which any Debtor or Reorganized Debtor may be liable and to hear, determine, and, if necessary, liquidate any Claims arising therefrom;

12.1.3 ensure that distributions to Holders of Allowed Claims are accomplished pursuant to the provisions of this Plan;

12.1.4 decide or resolve any motions, adversary proceedings, contested or litigated matters and any other matters and grant or deny any applications involving the Debtors that may be pending on the Effective Date;

12.1.5 enter such orders as may be necessary or appropriate to implement or consummate the provisions of this Plan and all contracts, instruments, releases and other agreements or documents created in connection with this Plan, the Disclosure Statement or the Confirmation Order;

12.1.6 resolve any cases, controversies, suits or disputes that may arise in connection with the consummation, interpretation, or enforcement of this Plan or any contract, instrument, release or other agreement or document that is executed or created pursuant to this Plan, or any entity's rights arising from or obligations incurred in connection with this Plan or such documents;

12.1.7 approve any modification of this Plan before or after the Effective Date pursuant to section 1127 of the Bankruptcy Code or approve any modification of the Confirmation Order or any contract, instrument, release or other agreement or document created in connection with this Plan or the Confirmation Order, or remedy any defect or omission or reconcile any inconsistency in any Bankruptcy Court order, this Plan, the Confirmation Order or any contract, instrument, release or other agreement or document created in connection with this Plan or the Confirmation Order, or enter any order in aid of Confirmation pursuant to section 1142 of the Bankruptcy Code, in such manner as may be necessary or appropriate to consummate this Plan;

12.1.8 hear and determine all applications for compensation and reimbursement of expenses of professionals under this Plan or under sections 330, 331, 363, 503(b), 1103 and 1129(c)(9) of the Bankruptcy Code, which shall be payable by the Debtors only upon allowance thereof pursuant to the order of the Bankruptcy Court; provided, however, that the professional fees and expenses of the Reorganized Debtors, incurred after the Effective

Date, including counsel fees, may be paid by the Reorganized Debtors in the ordinary course of business and shall not be subject to the approval of the Bankruptcy Court;

12.1.9 hear and determine any dispute concerning the compromise by and between the Holders of Loan Guaranty Claims against the Guarantor Non-Debtors, the Loan Agents and the Guarantor Non-Debtors, and the Loan Agents' release of all Senior Loan Guaranty Claims and Bridge Loan Guaranty Claims against the Guarantor Non-Debtors;

12.1.10 issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any entity with consummation, implementation or enforcement of this Plan or the Confirmation Order;

12.1.11 hear and determine causes of action by or on behalf of the Debtors or the Reorganized Debtors;

12.1.12 hear and determine matters concerning state, local and federal taxes in accordance with sections 346, 505 and 1146 of the Bankruptcy Code;

12.1.13 enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason or in any respect modified, stayed, reversed, revoked or vacated, or if distributions pursuant to this Plan are enjoined or stayed;

12.1.14 determine any other matters that may arise in connection with or relate to this Plan, the Disclosure Statement, the Confirmation Order or any contract, instrument, release, or other agreement, or document created in connection with this Plan, the Disclosure Statement or the Confirmation Order;

12.1.15 enforce all orders, judgments, injunctions, releases, exculpations, indemnifications and rulings entered in connection with the Chapter 11 Cases;

12.1.16 hear and determine all matters related to (i) the property of the Estates from and after the Confirmation Date and (ii) the activities of the Reorganized Debtors;

12.1.17 hear and determine such other matters as may be provided in the Confirmation Order or as may be authorized under the Bankruptcy Code; and

12.1.18 enter an order closing the Chapter 11 Cases.

ARTICLE XIII: MISCELLANEOUS

13.1 Surrender of Instruments.

As a condition to participation under this Plan, the Holder of a note, debenture or other evidence of indebtedness of any of the Debtors that desires to receive the property to be distributed on account of an Allowed Claim based on such note, debenture or other evidence of indebtedness shall surrender such note, debenture or other evidence of indebtedness to the Debtors, or their designee (unless such Holder's Claim will be Reinstated by this Plan, in which case such surrender shall not be required), and shall execute and deliver such other documents as

are necessary to effectuate this Plan; provided, however, that if a claimant is a Holder of a note, debenture or other evidence of indebtedness for which no physical certificate was issued to the Holder but which instead is held in book-entry form pursuant to a global security held by DTC or other securities depository or custodian thereof, then the Debtors or the applicable Indenture Trustee for such note, debenture or other evidence of indebtedness may waive the requirement of surrender. Except as otherwise provided in this Section 13.1, in the Debtors' sole discretion, if no surrender of a note, debenture or other evidence of indebtedness occurs and a claimant does not provide an affidavit and indemnification agreement (without any bond), in form and substance reasonably satisfactory to the Debtors, that such note, debenture or other evidence of indebtedness was lost, then no distribution may be made to any claimant whose Claim is based on such note, debenture or other evidence of indebtedness thereof.

13.2 Creditors Committee.

The appointment of the Creditors Committee shall terminate on the Effective Date.

13.3 Post-Confirmation Date Retention of Professionals.

Upon the Effective Date, any requirement that professionals employed by the Reorganized Debtors comply with sections 327 through 331 of the Bankruptcy Code in seeking retention or compensation for services rendered after such date will terminate, and the Reorganized Debtors will be authorized to employ and compensate professionals in the ordinary course of business and without the need for Bankruptcy Court approval.

13.4 Effectuating Documents and Further Transactions.

Each of the Debtors and the Reorganized Debtors is authorized to execute, deliver, file or record such contracts, instruments, releases and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement and further evidence the terms and conditions of this Plan and any notes or securities issued pursuant to this Plan.

13.5 Exemption from Transfer Taxes.

Pursuant to section 1146(a) of the Bankruptcy Code, (a) the issuance, transfer or exchange of notes, debentures or equity securities under this Plan; (b) the creation of any mortgage, deed of trust, lien, pledge or other security interest; (c) the making or assignment of any lease or sublease; or (d) the making or delivery of any deed or other instrument of transfer under this Plan, including, without limitation, merger agreements, agreements of consolidation, restructuring, disposition, liquidation or dissolution, deeds, bills of sale, and transfers of tangible property, will not be subject to any stamp tax or other similar tax.

13.6 Paid-in Capital of Corporate Reorganized Debtors.

On the Effective Date, after all other transactions necessary to effect this Plan have been consummated, the Paid-in Capital, as such term is defined in section 1.80(j) of the Illinois Business Corporation Act of 1983, 805 ILCS 5/1.01, *et seq.* (the "BCA"), of each

corporate Reorganized Debtor shall, pursuant to Section 9.20(a)(2) of the BCA, be reduced to the following amounts (such reduced amounts to be referred to individually and collectively as the “Article XIII Paid-in Capital Amount” and “Article XIII Paid-in Capital Amounts,” respectively): (i) in the case of Reorganized Tribune its Paid-in Capital shall be reduced to the aggregate par value, if any, of Reorganized Tribune’s issued and outstanding shares of capital stock plus such amount as is recorded on Reorganized Tribune’s financial statements as paid in capital or additional paid in capital under its fresh start accounting in accordance with Generally Accepted Accounting Principles, and (ii) in the case of each other corporate Reorganized Debtor its Paid-in Capital shall be reduced to the aggregate par value, if any, of each such other Reorganized Debtor’s issued and outstanding shares of capital stock plus such amount as is recorded on each such other Reorganized Debtor’s financial statements as paid in capital or additional paid in capital under its fresh start accounting in accordance with Generally Accepted Accounting Principles. The amount required to reduce the Paid-in Capital of each corporate Reorganized Debtor to its Article XIII Paid-in Capital Amount shall be treated as a reduction in Paid-in Capital under Section 9.20(a)(2) of the BCA. Any capital of each corporate Reorganized Debtor remaining in excess of its Article XIII Paid-in Capital Amount shall not be treated as Paid-in Capital for purposes of the BCA. For purposes of this Section 13.6, the term “corporate” refers to a corporation as defined in Sections 1.80(a) or (b) of the BCA.

13.7 Payment of Statutory Fees.

All fees payable pursuant to section 1930 of title 28 of the United States Code, as determined by the Bankruptcy Court at the Confirmation Hearing, shall be paid on the Effective Date.

13.8 Amendment or Modification of this Plan.

Subject to section 1127 of the Bankruptcy Code and, to the extent applicable, sections 1122, 1123 and 1125 of the Bankruptcy Code and other applicable provisions of this Plan, including, without limitation, Section 13.9 of this Plan, the Debtors may alter, amend or modify this Plan or the Exhibits at any time prior to or after the Confirmation Date but prior to the substantial consummation of this Plan. A Holder of a Claim or Interest that has accepted this Plan shall be deemed to have accepted this Plan as altered, amended or modified, if the proposed alteration, amendment or modification does not materially and adversely change the treatment of the Claim or Interest of such Holder.

13.9 Certain Provisions Pertaining to Senior Lender Settlement Committee and Centerbridge.

No amendments shall be made to the Plan, and no supplements (including, without limitation, the Plan Supplement) shall be filed to the Plan, without the consent of the Senior Lender Settlement Committee, which consent shall not be unreasonably withheld. For the avoidance of doubt, the aforementioned right of the Senior Lender Settlement Committee to reasonably consent to all amendments and supplements to the Plan shall extend to both the form and substance of any such amendment or supplement and any documents or information contained therein. Any alteration, amendment or modification to the Plan that is materially inconsistent with the terms of the “Settlement” (as defined in the term sheet attached to the

Settlement Support Agreement and filed with the Bankruptcy Court) and that adversely and materially modifies the form or substance of the consideration to be provided to Class 1D shall also be subject to the consent of Centerbridge, which consent is not to be unreasonably withheld.

13.10 Severability of Plan Provisions.

If any term or provision of this Plan is determined by the Bankruptcy Court to be invalid, void or unenforceable, the Bankruptcy Court, at the request of the Debtors will have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision will then be applicable as altered or interpreted; provided, however, that any substantive alteration of such term or provision shall be subject to the reasonable consent of the Senior Lender Settlement Committee. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of this Plan will remain in full force and effect and will in no way be affected, impaired or invalidated by such holding, alteration, or interpretation. The Confirmation Order will constitute a judicial determination and will provide that each term and provision of this Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

13.11 Successors and Assigns.

This Plan shall be binding upon and inure to the benefit of the Debtors and their respective successors and assigns, including, without limitation, the Reorganized Debtors. The rights, benefits and obligations of any entity named or referred to in this Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor or assign of such entity.

13.12 Revocation, Withdrawal or Non-Consummation.

The Debtors reserve the right to revoke or withdraw this Plan as to any or all of the Debtors prior to the Confirmation Date and to file subsequent plans of reorganization. If the Debtors revoke or withdraw this Plan as to any or all of the Debtors, or if confirmation or consummation as to any or all of the Debtors does not occur, then, with respect to such Debtors, (a) the Plan shall be null and void in all respects, (b) any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount certain any Claim or Interest or Class of Claims or Interests), assumption or rejection of executory contracts or leases affected by the Plan, and any document or agreement executed pursuant to the Plan shall be deemed null and void and (c) nothing contained in the Plan shall (i) constitute a waiver or release of any Claims by or against, or any Interests in, such Debtors or any other Person, (ii) prejudice in any manner the rights of such Debtors or any other Person or (iii) constitute an admission of any sort by the Debtors or any other Person. If the Plan is revoked or withdrawn prior to the Effective Date, all parties' rights are hereby reserved with regard to the LBO-Related Causes of Action, provided that no such revocation or withdrawal shall have any effect on the obligations of the parties to the Settlement Support Agreement thereunder.

13.13 Notice.

To be effective, all notices, requests and demands to or upon the Debtors or the Reorganized Debtors shall be in writing and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile or electronic transmission, when received and telephonically confirmed, addressed as follows:

Debtors:

Tribune Company
435 Michigan Avenue
Chicago, Illinois 60611
Facsimile: (312) 222-4206
Attn: Chief Legal Officer

With a copy to:

Counsel to the Debtors:

Sidley Austin LLP
One South Dearborn Street
Chicago, Illinois 60603
Facsimile: (312) 853-7036
Attn: Jessica C.K. Boelter

Cole Schotz Meisel Forman & Leonard, P.A.
500 Delaware Avenue, Suite 1410
Wilmington, Delaware 19801
Facsimile: (302) 652-3117
Attn: J. Kate Stickles

13.14 Governing Law.

Except to the extent that the Bankruptcy Code, the Bankruptcy Rules or other Federal law is applicable, or to the extent that an exhibit or schedule to this Plan or the relevant document provide otherwise, the rights and obligations arising under this Plan shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without giving effect to the principles of conflicts of law of such jurisdiction.

13.15 Tax Reporting and Compliance.

The Reorganized Debtors are hereby authorized, on behalf of each of the Debtors, to request an expedited determination under section 505 of the Bankruptcy Code of the tax liability of any of the Debtors for all taxable periods ending after the Petition Date through, and including, the Effective Date.

13.16 Exhibits and Appendices.

All Exhibits and appendices to this Plan are incorporated and are a part of this Plan as if set forth in full herein.

13.17 Reservation of Rights.

Except as expressly set forth herein, this Plan shall have no force and effect unless the Bankruptcy Court has entered the Confirmation Order. The filing of this Plan, any statement or provision contained in this Plan, or the taking of any action by the Debtors in furtherance of

seeking confirmation of this Plan shall not be and shall not be deemed to be an admission or waiver of any rights of the Debtors with respect to the Holders of Claims and Interests.

Dated: April 12, 2010

TRIBUNE COMPANY (for itself and on behalf of the other Debtors, as Debtors and Debtors in Possession, and the Guarantor Non-Debtors and Non-Guarantor Non-Debtors)

By: /s/ Donald J. Liebentritt_____

Name: Donald J. Liebentritt

Title: Executive Vice President – Chief Legal Officer, Tribune

WGN-TV, Chicago, IL
WGN(AM), Chicago, IL
FCC Form 314
Exhibit 16

REQUEST FOR CROSS-OWNERSHIP WAIVER

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I. INTRODUCTION AND SUMMARY

The instant application seeks consent to the assignment of licenses held by WGN Continental Broadcasting Company, Debtor-in-Possession (“WGN-DIP”), including those for television station WGN-TV, Chicago, Illinois and radio station WGN(AM), Chicago, Illinois, to WGN Continental Broadcasting Company (“Reorganized WGN”). This proposed assignment is part of the reorganization of WGN-DIP’s ultimate parent company, Tribune Company, Debtor-in-Possession (“Tribune”),¹ and most of Tribune’s subsidiaries, in which, subject to the approval of the Bankruptcy Court, certain of Tribune’s current lenders will acquire equity interests and Reorganized Tribune will emerge from bankruptcy and thereafter become a publicly traded company. In connection with this application, Reorganized WGN requests a permanent waiver of Section 73.3555(d), the newspaper/broadcast cross-ownership rule (the “NBCO Rule”), to permit the continued common ownership of WGN-TV, WGN(AM), and the *Chicago Tribune*,

¹ We will refer to the post-bankruptcy reorganized company herein as “Reorganized Tribune” and, where appropriate, that term will be used to include Reorganized WGN as well. The term “Tribune,” as noted above, will be used to refer to Tribune Company, Debtor-in-Possession and also, where appropriate, will be used to refer to the Debtor-in-Possession’s corporate predecessor.

which Tribune has owned in common for more than sixty years.² Such a permanent waiver would represent simply an extension of the relief the FCC already found justified in November 2007.³ In the alternative, Reorganized WGN seeks a temporary waiver of the NBCO Rule until 18 months after pending proceedings to revise the NBCO Rule become final.

The FCC eliminated the prohibition on newspaper/broadcast cross-ownership in 2003, the United States Court of Appeals for the Third Circuit upheld the elimination of the ban in 2004, and the FCC reaffirmed its 2003 holding that the NBCO Rule in its 1975 form no longer serves the public interest in December 2007.⁴ That decision was challenged in several Courts of Appeals, and the cases were ultimately transferred to the Third Circuit.⁵ In March 2010, that

² The publisher of *Chicago Tribune* also publishes *RedEye*, a free six-day per week niche publication narrowly-targeted to young (18-34) urban commuters in the Chicago DMA. *RedEye* is available throughout the greater Chicagoland area at no charge at single copy outlet locations, such as “el” and “Metra” train stations; at “honor” boxes placed on city sidewalks; and via no-charge home delivery. The publisher prints approximately 250,000 copies of *RedEye* each week, and though it has recently begun offering stand-alone home delivery, less than 1% of its weekday distribution and all of its Saturday distribution is delivered in that manner. Because *RedEye*’s target audience is a subset of *Chicago Tribune*’s general interest audience, *RedEye* is a mix of repurposed *Chicago Tribune* content, third-party news content, and content original to *RedEye*. *RedEye*’s content is focused on entertainment, popular culture and local events, and it does not have an editorial page. Its website is operated as part of Tribune’s Chicagonow.com blog site. For these reasons, Reorganized WGN believes that *RedEye* is not a separate “newspaper” under the NBCO Rule, and no waiver should be necessary. To the extent, however, that a waiver is necessary, Reorganized WGN requests that the instant request for waiver of the NBCO Rule to permit common ownership of WGN(AM), WGN-TV, and the *Chicago Tribune* also be deemed to include common ownership of *RedEye*.

³ See *Shareholders of Tribune Co.*, Memorandum Opinion and Order, 22 FCC Rcd 21,266 (2007), appeal pending sub nom. *Tribune Co. v. FCC*, Nos. 07-1488, 07-1489 (D.C. Cir. filed Dec. 3, 2007).

⁴ See *infra* Section II.A.3.

⁵ The Judicial Panel on Multidistrict Litigation consolidated the appeals originally filed in the United States Courts of Appeals for the First, Third, Sixth, Ninth, and District of Columbia Circuits and determined by random selection that the case would be heard in the Ninth Circuit. *In re: Federal Communications Commission, In the Matter of 2006 Quadrennial Regulatory Review*, RTC No. 95 (J.D.P.M.L. Mar. 11, 2008). The Ninth Circuit Court of Appeals subsequently transferred the case to the Third Circuit. *Media Alliance v. FCC*, Nos. 08-70830, *et al.* (9th Cir. Nov. 4, 2008).

court lifted a stay that it had first put in place in September 2003 and continued in its 2004 decision and a 2009 order, thus allowing revised standards for waiver of the NBCO Rule to take effect. Under these modified waiver standards, Reorganized Tribune's Chicago combination should be granted a permanent NBCO waiver under the "failed station" criterion; application of the four public interest factors set forth by the agency in the same decision further supports continued cross-ownership of WGN-TV, WGN(AM), and the *Chicago Tribune*.

Just a month before its December 2007 media ownership decision, the Commission found the permanent waiver of the NBCO Rule in Chicago appropriate based on the record facts, which have only become more compelling in the interim.⁶ Since that decision, the country has experienced a dramatic economic downturn that has been particularly severe in its impact on the newspaper and broadcast industries – already devastated by changes in the advertising market and increasing competition from Internet and other sources of news, information, and entertainment. The effects of that downturn ultimately resulted in the filing of petitions for bankruptcy by Tribune and nearly all of its subsidiaries, including the licensee of WGN(AM) and WGN-TV.⁷

Tribune has been a fixture in the Chicago community since at least 1847, when it began publishing the *Chicago Tribune* (then known as the *Chicago Daily Tribune*). Tribune established itself as a broadcasting pioneer by signing WGN(AM) on the air in 1924, and again in 1948 with its launch of WGN-TV, the call sign for each of which reflects their association

⁶ See generally *Shareholders of Tribune Co.*, 22 FCC Rcd 21,266.

⁷ See *In re Tribune Company, et al.*, Nos. 08-13141, *et al.* (KJC) (Bankr. D. Del. filed Dec. 8, 2008).

with the *Chicago Tribune*, known as the “World’s Greatest Newspaper.”⁸ In fact, WGN(AM) was serving the public interest in Chicago before the Communications Act of 1934, the FCC, or even its predecessor, the Federal Radio Commission. The Smithsonian Museum of American History has on-loan one of the microphones WGN(AM) used to provide listeners with live coverage in 1925 of the Scopes Monkey Trial. Those were the days when radio was just taking hold and television was little more than a dream. Today all of Tribune’s locally-owned and operated properties are Chicago institutions, and together provide abundant news and public service to the local community.

Although the newspaper and broadcast stations exercise independent editorial discretion, access to the combined resources of the three properties and the journalistic synergies produced by their common ownership enable each to increase the quantity and timeliness of news that it broadcasts, prints, or publishes on its websites and to deliver a superior news product to Chicago residents. WGN-TV currently airs 42 hours per week of local news, more than any other station in Chicago. Its local newscasts frequently outrank those of the Big-four network-owned stations in the market, an unusual accomplishment for a station not owned by or even affiliated with a major network. WGN(AM) broadcasts a local news/talk format, providing news updates twice every hour and extended news programming during morning and afternoon drive time. The station also broadcasts all Cubs baseball and Chicago Blackhawks hockey games, as well as Northwestern Wildcats football and men’s basketball games. WGN(AM)’s programming is entirely locally-produced and offers in-depth discussion of local news, politics, sports, and other issues.

⁸ Tribune further expanded its ability to cover the local Chicagoland community in 1993, with ChicagoLand Television (CLTV), a 24-hour regional cable news, weather, sports, and information channel. CLTV reaches over 1.5 million cable households.

The political coverage provided by each station is also greatly enhanced by Tribune's common ownership. With access to the *Chicago Tribune's* experienced political beat reporters and the journalists working at the newspaper's bureaus in the Illinois state capital and Washington, D.C., WGN-TV and WGN(AM) are able to add breadth and depth to their political stories. Shared resources allow the properties to conduct voter polling that they would be unable to do on their own. Resource sharing has also greatly improved and expanded weather coverage for Chicago residents.

Reporters for all three properties frequently collaborate on breaking news stories, ensuring that important news gets to the public as quickly as possible. In addition to working together to produce regularly scheduled newscasts and print stories, Tribune's Chicago properties often collaborate on special projects of particular importance to the local community, such as a recent joint investigative report by WGN-TV and the *Chicago Tribune* on illegal immigration at the United States-Mexico border, joint coverage by all three properties of six fatal shootings at Northern Illinois University, and a series of stories broadcast on WGN-TV and WGN(AM) and published in the *Chicago Tribune* by a WGN-TV reporter embedded with Illinois National Guard troops in Iraq. Tribune's Chicago properties are extensively involved in local community programs and events and have received numerous awards and accolades for the superior news and public service that they offer to the local community.

The Chicago Designated Market Area ("DMA") in which these properties operate is the third largest, and one of the most diverse and competitive, markets in the country. The number of sources from which the public can obtain local news and information in the DMA has multiplied exponentially since Tribune began publishing a Chicago newspaper in 1847, and has increased at an ever-accelerating rate since the Commission grandfathered Tribune's ownership

of the newspaper and broadcast properties in Chicago when it adopted the NBCO Rule in 1975. Common ownership of WGN-TV, WGN(AM), and the *Chicago Tribune* has served the public interest, and will continue to do so, without any diminution of diversity in the sources of news and information or harm to competition in the Chicago DMA. Thus, under the revised standards for waiver of the NBCO Rule now in effect or under any reasonable standard that takes into account the public interest benefits provided by the combination in question, Reorganized Tribune should be granted a permanent waiver of the NBCO Rule permitting its continued common ownership of the *Chicago Tribune*, WGN-TV, and WGN(AM) and also permitting a subsequent sale of those properties in tandem following the company's emergence from bankruptcy. Such relief is fully justified in this case given the Commission's prior findings, the exigencies of Tribune's bankruptcy status, and the need for the FCC to ensure comity with the bankruptcy process. At the very least, a temporary waiver until 18 months after the Commission completes its review of the NBCO Rule and that action becomes a final order no longer subject to judicial review is appropriate here.

II. PROCEEDINGS RELATED TO THE NBCO RULE, TRIBUNE'S CHICAGO PROPERTIES, AND THE IMPACT OF THE ECONOMIC DOWNTURN.

A. The NBCO Rule.

1. Adoption Of The NBCO Rule In 1975.

In 1975, the FCC adopted the NBCO Rule prohibiting ownership of a daily newspaper and a broadcast station serving the same community.⁹ In its decision adopting the NBCO Rule, the Commission acknowledged the potential detriments of the prohibition and the very shaky

⁹ *Multiple Ownership of Standard, FM & Television Broad. Stations*, Second Report and Order, 50 F.C.C.2d 1046 (1975) ("1975 Order"), *aff'd* *FCC v. Nat'l Citizens Comm. for Broad.*, 436 U.S. 775 (1978) ("NCCB").

factual foundation upon which it was based.¹⁰ The agency also recognized the pioneering spirit of cross-owners and the fact that broadcast stations affiliated with newspapers tended to be superior licensees, particularly in terms of locally oriented service.¹¹ Despite its recognition of the public interest benefits of cross-ownership, the agency nevertheless adopted the NBCO Rule in reliance on what the agency itself termed a “mere hoped for gain in diversity.”¹² Importantly, however, the Commission concluded that where there was at least one other broadcast station licensed to a community, cross-ownership would be grandfathered because the harm from forced divestiture outweighed any theoretical benefit of separate ownership.¹³ The FCC also contemplated processing a “number of waiver requests.”¹⁴ The Supreme Court upheld the FCC’s decision to grandfather most existing combinations and relied heavily on the availability of

¹⁰ *Id.* at 1074 (¶ 99), 1078-81 (¶¶ 108-13).

¹¹ *Id.*; *see id.* at Appendix C, 50 F.C.C.2d at 1094-98 (recognizing that co-owned stations produce greater amounts of local informational programming).

¹² *Id.* at 1078 (¶ 109).

¹³ *Id.* at 1078-86 (¶¶ 108-22).

¹⁴ *Id.* at 1085 (¶ 118). In the *1975 Order*, the Commission first explained that it would consider granting waivers in three types of situations involving financial hardship or distress: (1) an inability to sell a station; (2) a potential sale, but only at an artificially depressed price; or (3) where separate ownership and operation of the newspaper and station could not be supported in the locality. *1975 Order*, 50 F.C.C.2d at 1085 (¶ 119). The Commission also established a fourth and independent basis for waiver: if it can be shown “*for whatever reason* that the purposes of the rule would be disserved by divestiture, if the rule, in other words, would be better served by continuation of the current ownership pattern, then waiver would be warranted.” *Id.* (emphasis added and internal citation omitted). The Commission has subsequently encapsulated its waiver policy as counseling in favor of waivers “if: (1) a combination could not sell a station; (2) a combination could not sell a station except at an artificially depressed price; (3) separate ownership and operation of a newspaper and a station could not be supported in a locality; or (4) for whatever reason, the purposes of the rule would be disserved.” *Cross-Ownership of Broad. Stations and Newspapers; Newspaper/Radio Cross-Ownership Waiver Policy*, Order and Notice of Proposed Rulemaking, 16 FCC Rcd 17,283, 17,284-85 (¶ 3) (2001) (“*Newspaper/Broadcast NPRM*”). These purposes necessarily must be understood to include the promotion of localism and diversity, the key goals upon which the NBCO Rule is premised.

waivers in affirming the NBCO Rule in 1978.¹⁵ Tribune’s Chicago combination was among those grandfathered in 1975, and it has enjoyed that status for 35 years.¹⁶ As shown below, application today of the waiver standards adopted in 1975 would permit Tribune’s continued common ownership of WGN(AM), WGN-TV, and the *Chicago Tribune*.¹⁷

2. Proposed Relaxation In The 1990s.

More than a decade ago, clearly recognizing the significant changes that had occurred in the media landscape since 1975, the FCC began calling for changes to the NBCO Rule. In 1996, in explaining its grant of a temporary waiver of the NBCO Rule to Capital Cities, the Commission stated that it would “proceed expeditiously with an open proceeding to consider revising [its] newspaper broadcast cross-ownership policies.”¹⁸ Chairman Hundt separately observed that the NBCO Rule “is right now impairing the future prospects of an important . . . source of education and information: the newspaper industry” and stated that the Commission should be able to complete the rulemaking within one year – before the expiration of the waiver granted to Capital Cities.¹⁹ That same year, the agency issued a Notice of Inquiry regarding

¹⁵ See *NCCB*, 436 U.S. at 802 n.20.

¹⁶ *1975 Order*, 50 F.C.C.2d at 1080-86 & 1098 (App. D) (¶¶ 112-122) (explaining decision to grandfather all existing combinations not found to constitute “egregious” cases, listing cases found to be “egregious” in Appendix, and not including the WGN-TV/WGN(AM)/*Chicago Tribune* combination which had been in existence for nearly 30 years at the time).

¹⁷ See *infra* Section IV.

¹⁸ *Capital Cities/ABC, Inc.*, Memorandum Opinion and Order, 11 FCC Rcd 5841, 5851 (¶ 6) (1996).

¹⁹ *Id.* at 5906, 5908 (Separate Statement of Chairman Reed E. Hundt). The Commission did not complete the promised proceeding within the year, and Capital Cities was subsequently granted a temporary waiver pending the outcome of the promised rulemaking proceeding. See Letter to Joel Rosenbloom and Alan Braverman from Roy J. Stewart, Chief, Mass Media Bureau (Oct. 24, 1996) (“*Capital Cities Letter Decision*”).

potential relaxation of its policy for waiving the NBCO Rule as it applied specifically to newspaper/radio cross-ownership.²⁰

The very next year (in 1997), Tribune proposed to acquire six stations owned by Renaissance Communications Corp., including one in the Miami-Ft. Lauderdale market where Tribune already owned a newspaper. After a challenge by Tribune in the D.C. Circuit, the FCC granted Tribune a temporary waiver of the NBCO Rule in Miami pending the outcome of the Commission's anticipated review of the rule in its 1998 biennial review.²¹ Both the FCC and the Court recognized the need for modification of the NBCO Rule, but the FCC stated, and the Court agreed, that the promised rulemaking, rather than the Tribune/Renaissance transaction, was the appropriate proceeding in which to effectuate such change.²²

²⁰ *Newspaper/Radio Cross-Ownership Waiver Policy*, Notice of Inquiry, 11 FCC Rcd 13,003 (1996).

²¹ *Renaissance Commc'ns Corp.*, Order, 13 FCC Rcd 4717 (1998). The FCC initially granted Tribune a finite period to come into compliance with the NBCO Rule, but after review of the D.C. Circuit's opinion in *Tribune Co. v. FCC*, 133 F.3d 61 (D.C. Cir. 1998), extended the waiver until the completion of the anticipated rulemaking.

²² *Renaissance Commc'ns Corp.*, Memorandum Opinion and Order, 12 FCC Rcd 11,866, 11,888 (¶ 51) (1997) ("*Renaissance*"), *aff'd sub nom. Tribune Co. v. FCC*, 133 F.3d 61 (D.C. Cir. 1998).

Also in 1997, the Newspaper Association of America (“NAA”) filed a formal Petition for Rulemaking seeking repeal or relaxation of the NBCO Rule.²³ The FCC did not act on that petition. Instead, as required under Section 202(h) of the Telecommunications Act of 1996,²⁴ the Commission in 1998 undertook its first Biennial Review of its media ownership rules, which it completed two years later in 2000 by issuing the *1998 Biennial Regulatory Review Report*.²⁵ There, the agency again concluded that the NBCO Rule needed to be modified and promised to initiate a rulemaking proceeding to amend it.²⁶ The Commission did not, however, open such a rulemaking. Instead, the agency launched its 2000 Biennial Review, releasing a report in 2001 in which it committed once more to “issue a notice of proposed rulemaking seeking comment on whether [the FCC] need[ed] to modify the daily newspaper/ broadcast cross-ownership rule in order to address contemporary market conditions.”²⁷

²³ Tribune is a member of NAA.

²⁴ See Telecommunications Act of 1996, Pub. L. No. 104-104, § 202(h); see also 47 U.S.C. § 161. Section 202(h) requires the Commission to determine whether its media ownership rules remain “necessary in the public interest as the result of competition” and to “repeal or modify any regulation it determines to be no longer in the public interest.” The reviews were first required to be conducted every two years, but in 2004 Congress amended Section 202(h) to require reviews on a quadrennial basis. Consolidated Appropriations Act, 2004, Pub. L. No. 108-199, § 629, 118 Stat. 3, 99 (2004).

²⁵ *1998 Biennial Regulatory Review*, Biennial Review Report, 15 FCC Rcd 11,058 (2000).

²⁶ *Id.* at 11,102 (¶ 83) (“[W]e believe that there may be certain circumstances in which the rule may not be necessary to achieve the rule’s public interest benefits. We, therefore, will initiate a rulemaking proceeding to consider tailoring the rule accordingly.”). As part of the biennial review, the Commission recognized its prior grant to Tribune of a temporary waiver for its Miami television station pending completion of the rulemaking that it had promised to initiate at the time the waiver was granted, and extended that waiver pending the resolution of the rulemaking promised in the 1998 Biennial Review. *Id.* at 11,109-10 (¶ 96).

²⁷ *2000 Biennial Regulatory Review*, Report, 16 FCC Rcd 1207, 1218 (¶ 32) (2001).

3. Further Efforts To Revise The NBCO Rule In 2001 And Ensuing Litigation.

More than eight years ago, in September 2001, the Commission finally issued a Notice of Proposed Rulemaking regarding the modification or elimination of the NBCO Rule.²⁸ After receiving voluminous comments and reply comments, the FCC appeared poised to fulfill its longstanding promise to modify the NBCO Rule. Instead, in 2002 the agency consolidated the *Newspaper/Broadcast NPRM* into an omnibus multiple ownership proceeding tied to the 2002 Biennial Review and its review of two cases related to television ownership rules that had been remanded to it from the D.C. Circuit.²⁹ The FCC then re-launched the inquiry (the “Omnibus Proceeding”).³⁰ The agency took further public comment, commissioned a dozen market studies, and held numerous field hearings. Tribune not only filed comments in the Omnibus Proceeding (consistent with its participation in the earlier rulemakings), but Tribune Vice President Shaun Sheehan also appeared as a panelist at one of the unofficial field hearings in April 2003.³¹ After another year of study, the Commission in June 2003 adopted the *2003 Order* that revised many of the media ownership rules, including the NBCO Rule.³²

²⁸ *Newspaper/Broadcast NPRM*, 16 FCC Rcd at 17,283-284 (¶ 1).

²⁹ See *Sinclair Broad. Group, Inc. v. FCC*, 284 F.3d 148 (D.C. Cir. 2002); *Fox Television Stations, Inc. v. FCC*, 280 F.3d 1027, *reh'g granted*, 293 F.3d 537 (D.C. Cir. 2002).

³⁰ *2002 Biennial Regulatory Review – Review of the Comm’ns Broad. Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecomms. Act of 1996; Cross-Ownership of Broad. Stations and Newspapers; Rules and Policies Concerning Multiple Ownership of Radio Broad. Stations in Local Markets*, Notice of Proposed Rulemaking, 17 FCC Rcd 18,503 (2002).

³¹ See Dave McNary, *WGA: Caps Keep News Nets Neutral; Debate on the Consolidation of Congloms Continues*, Variety.com, Mar. 31, 2003, available at <http://www.variety.com/article/VR1117883863.html> (last visited Feb. 22, 2010).

³² *2002 Biennial Regulatory Review – Review of the Comm’ns Broad. Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecomms. Act of 1996; Cross-Ownership of Broad. Stations and Newspapers; Rules and Policies Concerning Multiple Ownership of*

In the *2003 Order*, the Commission found that the NBCO Rule was no longer justifiable under the standard set forth in Section 202(h).³³ The decision was based on an analysis of the three primary public interest objectives that govern the agency’s oversight of broadcast ownership: localism, viewpoint diversity, and competition.

With respect to localism, the FCC cited “overwhelming evidence that [newspaper/broadcast] combinations can promote the public interest by producing more and better overall local news coverage.”³⁴ In this vein, the agency recognized that “television stations that are co-owned with daily newspapers tend to produce more, and arguably better, local news and public affairs programming than stations that have no newspaper affiliation.”³⁵ Based on the extensive record before it, the agency determined that “the current rule is not necessary to promote our localism goal, and . . . in fact, is likely to hinder its attainment.”³⁶

With regard to viewpoint diversity, the agency found that the record did not support the conclusion that “common ownership of broadcast stations and daily newspapers in the same community poses a widespread threat to diversity of viewpoint or programming.”³⁷ To the contrary, the Commission determined that “the synergies and efficiencies that can be achieved by commonly located newspaper/broadcast combinations can and do lead to . . . diverse

Radio Broad. Stations in Local Markets, Report and Order and Notice of Proposed Rulemaking, 18 FCC Rcd 13,620, 13,747, 13,767 (¶¶ 327, 368-69) (2003) (“*2003 Order*”), *aff’d in part, remanded in part, Prometheus Radio Project v. FCC*, 373 F.3d 372 (3d Cir. 2004), *cert. denied*, 545 U.S. 1123 (2005).

³³ See *2003 Order*, 18 FCC Rcd at 13,678 (¶ 371); *supra* note 24.

³⁴ *2003 Order*, 18 FCC Rcd at 13,759 (¶ 354).

³⁵ *Id.* at 13,802 (¶ 465).

³⁶ *Id.* at 13,759-60 (¶ 354).

³⁷ *Id.* at 13,767 (¶ 368).

viewpoints.”³⁸ It also found that “relaxing the cross-ownership rule could lead to an increase in the number of newspapers in some markets and foster the development of important new sources of local news and information.”³⁹ Tribune’s grandfathered newspaper/broadcast combination in Chicago exemplifies the Commission’s findings as to localism and diversity in particular, with its superior performance in providing diverse news and local information to Chicago viewers, listeners, and readers.

As to competition, the Commission concluded that newspaper/broadcast combinations “cannot adversely affect competition in any relevant product market,” and that the NBCO Rule was thus not necessary to protect competition.⁴⁰ Accordingly, the FCC repealed the newspaper/broadcast cross-ownership ban and, based on lingering concerns regarding diversity, replaced it with a new set of cross-media limits.⁴¹ Those new limits would have permitted common ownership of WGN-TV, WGN(AM), and the *Chicago Tribune*.⁴²

³⁸ *Id.* at 13,761 (¶ 358). The FCC’s conclusions on this issue were supported by independent studies commissioned by the agency. See David Pritchard, *Viewpoint Diversity in Cross-Owned Newspaper and Television Stations: A Study of News Coverage of the 2000 Presidential Campaign* (FCC Media Ownership Working Group Report #2), September 2002; Thomas C. Spavins, et al., *The Measurement of Local Television News and Public Affairs Programs* (FCC Media Ownership Working Group Report #7), September 2002; Scott Roberts, et al., *A Comparison of Media Outlets and Owners for Ten Selected Markets (1960, 1980, 2000)* (FCC Media Ownership Working Group Report #1), September 2002.

³⁹ *2003 Order*, 18 FCC Rcd at 13,760-61 (¶ 356).

⁴⁰ *Id.* at 13,753 (¶ 341); see also *id.* at 13,748-49 (¶¶ 331-32), 13,752-53 (¶¶ 339-41), 13,767 (¶¶ 368-69).

⁴¹ As pertinent here, in “markets with nine or more TV stations (‘large markets’),” the Commission “impose[d] no cross-media restrictions,” reasoning in part that, “[t]o begin with, markets of this size today tend to have robust media cultures characterized by a large number of outlets and a wide variety of owners.” *2003 Order*, 18 FCC Rcd at 13,804 (¶ 473).

⁴² See *infra* at 129.

A number of parties (including Tribune) challenged the *2003 Order*, and the United States Court of Appeals for the Third Circuit affirmed the Commission’s decision to repeal the blanket ban on newspaper/broadcast cross-ownership.⁴³ As the Third Circuit stated, “[t]he Commission’s decision not to retain a ban on newspaper/broadcast cross-ownership is justified under § 202(h) and is supported by record evidence.”⁴⁴ Further, the Court concluded that “reasoned analysis supports the Commission’s determination that the blanket ban on newspaper/broadcast cross-ownership was no longer in the public interest.”⁴⁵ The Third Circuit recognized that “[n]ewspaper/broadcast combinations can promote localism” and that a wholesale prohibition actually “undermined” this important goal.⁴⁶ In addition, the Court agreed with the agency that “[a] blanket prohibition on newspaper/broadcast combinations is not necessary to protect diversity.”⁴⁷ In this regard, the Third Circuit found that “the Commission reasonably concluded that it did not have enough confidence in the proposition that commonly owned outlets have a uniform bias to warrant sustaining the cross-ownership ban.”⁴⁸ The Court thus upheld the Commission’s finding that retaining the ban was no longer in the public interest.

⁴³ *Prometheus Radio Project v. FCC*, 373 F.3d 372, 398 (3d Cir. 2004), *cert. denied*, 545 U.S. 1123 (2005).

⁴⁴ *Id.*

⁴⁵ *Id.*

⁴⁶ *Id.* at 398-99.

⁴⁷ *Id.* at 399.

⁴⁸ *Id.* at 399-400.

The Third Circuit, however, remanded the *2003 Order* to the FCC for further justification of the specific limits on cross-media ownership that had been adopted to replace the ban.⁴⁹

4. The 2006 Proceeding And Resultant Rule Change.

Approximately two years later, the Commission issued a Notice of Proposed Rulemaking in its 2006 Quadrennial Review (the “*2006 FNPRM*”).⁵⁰ That proceeding served the dual purposes of fulfilling the agency’s Section 202(h) periodic review mandate and responding to the issues raised in the Third Circuit’s remand decision. In the *2006 FNPRM*, the Commission asked, among other things, whether it should revise the 2003 cross-media limits, whether it could justify those limits based upon additional evidence or analysis, and whether continuing to restrict newspaper/broadcast cross-ownership was necessary in the public interest at all.⁵¹ The proceeding generated yet another massive record on newspaper/broadcast cross-ownership, with the Commission receiving comments and reply comments, commissioning 10 peer-reviewed studies, and conducting six official field hearings. In addition to Tribune’s submission of comments in the proceeding, Tom Langmyer, Vice President and General Manager of WGN(AM), participated as a panelist at the September 2007 public hearing in Chicago; Bob Gremillion, President, CEO, and Publisher of the *Sun Sentinel*, participated as a panelist at the

⁴⁹ While it rejected certain elements of the rationale underlying the cross-media limits, including some components of a “diversity index,” *id.* at 402-11, the Court did not question the FCC’s finding that the public interest benefits that can be realized in larger markets significantly outweigh the impact of a decrease in the count of independently owned properties or voices.

⁵⁰ *2006 Quadrennial Regulatory Review – Review of the Comm’ns Broad. Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecomms. Act of 1996; 2002 Biennial Regulatory Review – Review of the Comm’ns Broad. Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecomms. Act of 1996; Cross-Ownership of Broad. Stations and Newspapers; Rules and Policies Concerning Multiple Ownership of Radio Broad. Stations in Local Markets; Definition of Radio Markets*, Further Notice of Proposed Rulemaking, 21 FCC Rcd 8834 (2006) (“*2006 FNPRM*”).

⁵¹ *Id.* at 8848 (¶ 32).

April 2007 public hearing in Tampa; Pamela S. Pearson, Vice President/General Manager of Tribune Television Northwest, Inc., participated as a panelist at the November 2007 public hearing in Seattle; and Vincent Malcolm, then-Vice President and General Manager, KTLA(TV), participated as a panelist at the October 2006 public hearing in Los Angeles.⁵²

In an order adopted in December 2007 (and released in February 2008), the Commission made new findings and added liberalized waiver standards to the NBCO Rule. Among other things, the Commission found that “[e]vidence in the record continues to support the Commission’s earlier decision that retention of a complete ban is not necessary in the public interest as a result of competition, diversity, or localism.”⁵³ In particular, the Commission found that (1) “ample evidence in the record” indicates that “marketplace conditions have indeed changed and thus justify a recalibration,” (2) “the largest markets contain a robust number of diverse media sources,” “diversity of viewpoints would not be jeopardized by certain newspaper/broadcast combinations,” and many combinations exercise “independent editorial control,” and (3) “newspaper/broadcast combinations can create synergies that result in more news coverage for consumers,” thus enhancing localism.⁵⁴ Under the changes in the *2008 Order*, the general restriction on cross-ownership was retained, with standards for consideration

⁵² See FCC, Public Notice, *FCC Announces Agenda for Public Hearing on Media Ownership in Seattle, Washington* (rel. Nov. 8, 2007); FCC, Public Notice, *FCC Announces Agenda for Public Hearing on Media Ownership in Chicago, Illinois* (rel. Sept. 17, 2007); FCC, Public Notice, *FCC Announces Agenda for Public Hearing on Media Ownership in Tampa-St. Petersburg, Florida* (rel. Apr. 26, 2007); FCC, Public Notice, *FCC Announces Further Details for Public Hearing on Media Ownership in Los Angeles* (rel. Sept. 29, 2006).

⁵³ *2006 Quadrennial Regulatory Review – Review of the Comm’ns Broad. Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecomms. Act of 1996*, Report and Order and Order on Reconsideration, 23 FCC Rcd 2010, 2021-22 (¶ 19) (2008) (“*2008 Order*”), *appeal pending sub nom. Prometheus Radio Project v. FCC*, Nos. 08-3078, *et al.* (3d Cir. filed July 15, 2008).

⁵⁴ *Id.* at 2021-22 (¶ 19), 2038-39 (¶ 49).

of waiver requests incorporated into the rule and certain presumptions established depending on the size of the market involved and various other factors.

Specifically, under the revised waiver standards, the Commission presumes that combinations of a daily newspaper and a single broadcast station in any of the twenty largest DMAs are in the public interest as long as (1) the broadcast station is a radio station; or (2) if the broadcast station is a television station, (i) at least eight independent “major media voices” remain in the DMA, and (ii) the station is not ranked among the top four stations in the DMA.⁵⁵ Combinations also are presumed to be in the public interest if either the newspaper or broadcast station qualifies as “failed” or “failing,”⁵⁶ or if a new owner will initiate local news programming of at least seven hours per week on a broadcast station that was not offering local newscasts prior to the combined operations.⁵⁷

In other cases, combinations are presumed not to be in the public interest, but waivers are available under a four-factor test which considers: (1) whether the cross-ownership will significantly increase the amount of local news disseminated through the media properties involved; (2) whether each property will exercise its own independent news judgment; (3) the level of concentration in the DMA; and (4) the financial condition of the newspaper or broadcast property, and if the newspaper or broadcast station is in financial distress, the proposed owner’s commitment to invest significantly in newsroom operations.⁵⁸ As will be shown below, the NBCO Rule as revised in the *2008 Order*, applied in the context of the Chicago market and

⁵⁵ *Id.* at 2040 (¶ 53).

⁵⁶ *Id.* at 2047-48 (¶ 65).

⁵⁷ *Id.* at 2049 (¶ 67).

⁵⁸ *Id.* at 2049 (¶ 68).

Tribune's history of operation of broadcast and newspaper properties there, permits continued common ownership of WGN-TV, WGN(AM), and the *Chicago Tribune* by Reorganized Tribune.⁵⁹

5. Third Circuit Redux And Current Procedural Posture.

The *2008 Order* was challenged by many parties (including Tribune) in various courts of appeal. Preliminary proceedings related to venue resulted in transfer of all of the cases to the Third Circuit, after which advocacy groups Media Alliance, Prometheus Radio Project, Office of Communication of the United Church of Christ, Inc., and Free Press jointly filed a motion to hold the cases in abeyance pending Commission action on a petition for reconsideration that certain other advocacy groups had filed with the agency. The Third Circuit granted that motion in April 2009⁶⁰ and, as noted earlier, then ordered that a stay issued in connection with the Court's review of the *2003 Order* remain in effect.⁶¹ The Third Circuit subsequently requested and received filings regarding whether the cases should continue to be held in abeyance and whether the stay should be lifted.⁶² In March 2010, the Court issued an order lifting the stay of

⁵⁹ See *infra* Section IV.

⁶⁰ Order, *Prometheus Radio Project v. FCC*, No. 08-3078 (3d Cir. Apr. 14, 2009).

⁶¹ See Order, *Prometheus Radio Project v. FCC*, No. 08-3078 (3d Cir. June 12, 2009).

⁶² See Order, *Prometheus Radio Project v. FCC*, No. 08-3078 (3d Cir. Dec. 17, 2009); Order, *Prometheus Radio Project v. FCC*, No. 08-3078 (3d Cir. Nov. 4, 2009). In its response to the Third Circuit's November 4, 2009 Order, the FCC argued in favor of continued abeyance and maintenance of the stay; requested that, in the event that the Court deemed abeyance no longer to be appropriate, the cases be remanded to the agency for further proceedings; and indicated that it did not intend to address the petition for reconsideration outside of the context of the 2010 Quadrennial Review. FCC, Response to the Court's Order of November 4, 2009, *Prometheus Radio Project v. FCC*, No. 08-3078 (3d Cir. filed Nov. 25, 2009).

the 2008 Order, including the liberalized NBCO waiver standards, and set a schedule for briefing on the merits.⁶³

In the meantime, the FCC has launched its 2010 Quadrennial Review by holding several workshops. Those workshops have addressed, among other things, the general scope and framework for the review; the Commission's diversity, localism, and competition goals; studies and data-gathering that the agency should undertake in the course of the review; financial and marketplace issues; minority media ownership; local television and radio marketplace issues; and the NBCO Rule, in particular.⁶⁴ In addition, the FCC recently launched a separate proceeding on "The Future of Media and Information Needs of Communities," which promises to address issues such as how people get news and information and financial trends affecting newspapers and broadcasters.⁶⁵

B. Tribune's Existing Newspaper/Broadcast Holdings And Its Chicago NBCO Rule Waiver.

While the 2006 FNPRM was pending, Tribune announced a reorganization that, following FCC approval, resulted in private ownership of the company by the Tribune Employee Stock Ownership Plan ("ESOP"). At the time, Tribune held several newspaper/broadcast

⁶³ See Order, *Prometheus Radio Project v. FCC*, No. 08-3078 (3d Cir. Mar. 23, 2010).

⁶⁴ FCC, News Release, *Media Bureau Announces Media Ownership Workshop in Tampa, Florida*, MB Docket No. 09-182 (rel. Mar. 17, 2010); FCC, News Release, *Media Bureau Announces February 23, 2010 Media Ownership Workshop in Columbia, South Carolina*, MB Docket No. 09-182 (rel. Jan. 28, 2010); FCC, News Release, *Media Bureau Announces Agenda and Panelists for Minority Media Ownership Workshop*, MB Docket No. 09-182 (rel. Jan. 22, 2010); FCC, News Release, *Media Bureau Announces Panelists and Agenda for Media Ownership Workshop on Financial and Marketplace Issues*, MB Docket No. 09-182 (rel. Jan. 5, 2010); FCC, Public Notice, *Media Bureau Announces Agenda and Participants for Initial Media Ownership Workshops and Seeks Comment on Structuring of the 2010 Media Ownership Review Proceeding*, 24 FCC Rcd 12,584 (2009) ("2010 Quadrennial Review Public Notice").

⁶⁵ FCC, Public Notice, *FCC Launches Examination of the Future of Media and Information Needs of Communities in a Digital Age*, GN Docket No. 10-25, DA 10-100 (rel. Jan. 21, 2010) ("Future of Media Public Notice").

combinations, including the Chicago combination at issue here as well as others in Hartford, Los Angeles, Miami-Ft. Lauderdale, and New York.

In the order approving transfer of control of Tribune to the ESOP, the Commission granted Tribune a permanent waiver of the NBCO Rule for its Chicago combination – the identical combination of media properties grandfathered when the Commission adopted the NBCO Rule in 1975, and for which Tribune now seeks a waiver here.⁶⁶ In granting a permanent waiver, the Commission recognized the longstanding existence of the combination, the highly competitive nature of the Chicago market, and the benefits to the public stemming from the “uniquely long-term symbiotic relationship” between the properties at issue.⁶⁷ In particular, the agency noted that the “record confirms ‘the myriad public interest benefits that have resulted over the almost 60 years of Tribune’s common ownership of WGN-TV, WGN(AM), and the Chicago Tribune in the Chicago DMA.’”⁶⁸ The Commission concluded that “forced separation of the Tribune, WGN-TV, and WGN(AM) would diminish the strength of important sources of quality news and public affairs programming in the Chicago market[,] . . . that any detriment to diversity caused by the common ownership is negligible given the nature of the market,” and that, accordingly, “the purposes of the rule would not be served by divestiture.”⁶⁹ As described in detail below, these findings are all the more true today and warrant the grant of a permanent waiver of the NBCO Rule in the context of this transaction.

⁶⁶ See *Shareholders of Tribune Co.*, 22 FCC Rcd at 21,267 (¶ 1).

⁶⁷ *Id.* at 21,277 (¶ 34).

⁶⁸ *Id.* at 21,277-78 (¶ 34).

⁶⁹ *Id.* at 21,278 (¶ 34).

C. The Effect Of The Economic Downturn On The Media Marketplace And The Resulting Tribune Bankruptcy.

Since the FCC approved the transfer of control of Tribune to the ESOP, the U.S. daily newspaper industry has experienced an unparalleled financial crisis. The turmoil in the industry has been particularly dramatic in the last two years, greatly accelerating the rate of decline in circulation and revenues as compared to the trends that newspaper publishers had been experiencing in previous decades. The impact of these recent trends has been particularly damaging in the markets in which Tribune operates.

The Commission has taken these trends into account in its recent decisions affecting the industry. For example, when the FCC released its decision to add liberalized waiver standards to the NBCO Rule in early 2008, following approval of the transfer of control of Tribune to the ESOP, it recognized that newspapers were in a downward cycle and that regulatory relief therefore was particularly appropriate. As the agency concluded in its *2008 Order*, “[t]he emergence of new forms of electronic media in recent years has come at the expense of traditional media, and of newspapers in particular.”⁷⁰ The Commission observed that, although “the population of the country has increased more than 80 percent” during the past 50 years, “the number of daily newspapers being published and their readership have decreased significantly” over this same period.⁷¹

The agency further noted in 2008 that the recent, substantial drop in newspaper circulation had produced “a cascade of negative impacts on the media industry.”⁷² Among these

⁷⁰ *2008 Order*, 23 FCC Rcd at 2023 (¶ 21).

⁷¹ *Id.* at 2026 (¶ 27).

⁷² *Id.* (¶ 28).

was a “sharp reduction in the number of professional journalists employed in the newspaper industry,” a trend that had “particular import for the public interest.”⁷³ The FCC further observed that newspaper publishers had experienced a “flatten[ing]”⁷⁴ of the advertising revenues that “keep [them] alive” and that “stock prices for many of the major newspaper companies ha[d] fallen.”⁷⁵

Since the Commission made these observations more than two years ago, the state of the newspaper industry has taken a sharp turn for the worse. In 2009 alone, one major market daily newspaper ceased operations entirely,⁷⁶ at least two others came dangerously close to following suit,⁷⁷ and several folded their print operations and are surviving only as dramatically scaled

⁷³ *Id.*

⁷⁴ *Id.* at 2029 (¶ 32).

⁷⁵ *Id.* at 2028 (¶ 30), 2029 (¶ 33).

⁷⁶ After posting repeated losses and failing in its efforts to find a suitable buyer, E.W. Scripps in February 2009 shut down the *Rocky Mountain News*, which had been in existence since 1859, leaving *The Denver Post* as the city’s sole major daily. Howard Kurtz, *Final Edition: Rocky Mountain News to Shut Down Today*, WASH. POST, Feb. 27, 2009, at D03, available at <http://www.washingtonpost.com/wp-dyn/content/story/2009/02/27/ST2009022701217.html> (last visited Feb. 9, 2010). Less than one year later, the holding company of MediaNews Group, publisher of *The Denver Post* and 53 other daily newspapers, filed for Chapter 11 bankruptcy protection. Emily Chasan, *MediaNews Owner Files Prepackaged Bankruptcy*, REUTERS, Jan. 22, 2010, available at <http://www.reuters.com/article/idUSTRE60M01920100123> (last visited Feb. 9, 2010); Mike Spector & Shira Ovide, *MediaNews Bankruptcy Filing to Come as Soon as This Week*, WALL ST. J., Jan. 18, 2010, available at <http://online.wsj.com/article/SB10001424052748704541004575011630438688308.html> (last visited Feb. 9, 2010).

⁷⁷ Facing steep operating losses, the New York Times Company threatened to close *The Boston Globe* last year unless labor unions agreed to concessions on wages and benefits. Howard Kurtz, *N.Y. Times to File Notice It Will Close Boston Globe*, WASH. POST, May 4, 2009, available at <http://www.washingtonpost.com/wp-dyn/content/article/2009/05/03/AR2009050300269.html> (last visited Feb. 9, 2010); Richard Pérez-Peña, *Times Co. Said to Consider Closing Boston Globe*, N.Y. TIMES, Apr. 4, 2009, available at http://www.nytimes.com/2009/04/04/business/media/04globe.html?_r=1 (last visited Feb. 9, 2010). The shutdown of the paper was avoided when *Globe* employees accepted a package of pay and benefits cuts in July 2009. See Richard Pérez-Peña, *Boston Globe Workers Agree to Cuts*, N.Y. TIMES, July 21, 2009, available at <http://www.nytimes.com/2009/07/21/business/media/21globe.html> (last visited Feb. 9, 2010).

down online services.⁷⁸ In 2008-2009, many newspapers in medium and smaller markets, such as Albuquerque and Tucson, shut down publication entirely or substantially downsized their operations.⁷⁹ In addition, nine major newspaper publishers, including Tribune, have declared

The New York Times Company had intended to sell *The Boston Globe*, but after searching for a buyer for months, in October 2009 the company announced that it had decided not to sell the paper. It had been reported that bids for the paper and another in nearby Worcester, MA were about \$35 million, compared to the \$1.1 billion the company had paid for *The Boston Globe* in 1993. See Richard Pérez-Peña, *Times Co. Will Hold On to Boston Globe*, N.Y. TIMES, Oct. 15, 2009, available at www.nytimes.com/2009/10/15/business/media/15globe.html?_r=1&pagewanted=print (last visited Feb. 9, 2010). Hearst Corporation similarly considered selling or shutting down *The San Francisco Chronicle*, that city's major daily and the nation's 12th largest, if it could not substantially cut costs through newsroom layoffs. Shira Ovide & Russell Adams, *Hearst Plans to Slash, Sell or Shut Paper in Bay Area*, WALL ST. J., Feb. 25, 2009, available at <http://online.wsj.com/article/SB123551803197064061.html> (last visited Feb. 9, 2010).

⁷⁸ Hearst Corporation abandoned the print edition of the *Seattle Post-Intelligencer* in March 2009, replacing it with a much less extensive online-only operation. As a result of this major overhaul, the publisher retained just 20 of its 150-plus journalists, leaving nearly 90% of its former newsroom employees without jobs. Phillip Meyer, *Let's Not Stop the Presses*, USA TODAY, Apr. 29, 2009, at 9A, available at <http://blogs.usatoday.com/oped/2009/04/lets-not-stop-the-presses.html> (last visited Feb. 9, 2010). Similarly, Detroit daily newspapers *The Detroit Free Press* and *The Detroit News* developed a strategy to end home print delivery four days of the week, making home deliveries on only the most lucrative days – Thursdays, Fridays and Sundays – that account for more than 80 percent of advertising revenue, and directing readers to their websites for online “e-editions” on Mondays, Tuesdays, Wednesdays and Saturdays. Richard Pérez-Peña, *Detroit's Daily Papers Are Now Not So Daily*, N.Y. TIMES, Mar. 31, 2009, available at <http://www.nytimes.com/2009/03/31/business/media/31paper.html> (last visited Feb. 9, 2010).

⁷⁹ In February 2008, the *Albuquerque Tribune* published its final edition following unsuccessful efforts by its owner, E.W. Scripps Co., to find a buyer for the newspaper. See “86” for *Albuquerque Tribune – To Close on Saturday*, EDITOR & PUBLISHER (Associated Press), Feb. 20, 2008, available at http://www.editorandpublisher.com/eandp/news/article_display.jsp?vnu_content_id=1003712778 (last visited Apr. 14, 2010). Gannett Co., Inc. announced last May that it had decided to cease print publication of the *Tucson Citizen*, but that it would continue to operate its website, citing “[d]ramatic changes in our industry combined with the difficult economy.” Press Release, Gannett Co., Inc., *Gannett to Cease Print Publication of the Tucson Citizen* (May 15, 2009), available at <http://gannett.com/news/pressrelease/2009/pr051509.htm> (last visited Feb. 9, 2010); see also Yinka Adegoke, *Gannett Shuttters Tucson Citizen's Print Edition*, REUTERS, May 15, 2009, available at <http://www.reuters.com/article/idUSN1535783620090515> (last visited Feb. 9, 2010). The *Ann Arbor News* and the *Coral Gables Gazette* also have transitioned to online-only operations. Katherine Yung, *Ann Arbor News Folds; Web Transition Begins*, DETROIT FREE PRESS, July 24, 2009, available at <http://m.freep.com/BETTER/news.jsp?key=496022> (last visited Feb. 9, 2010); Elaine De Vallé, *Coral Gables Gazette Converts to Online Only*, THE MIAMI HERALD, Aug. 12, 2009, available at <http://www.miamiherald.com/news/southflorida/story/1181894.html> (last visited Feb. 9, 2010).

bankruptcy since December 2008.⁸⁰ These newspaper publishers, several of which remain in bankruptcy as of the date of this filing, collectively own more than 130 daily and more than 280 weekly publications.⁸¹ A growing number of publishers have been forced to close domestic and

⁸⁰ In addition to Tribune, these publishers include (1) Sun-Times Media Inc.; (2) Star Tribune Company; (3) the Journal Register Company; (4) Philadelphia Newspapers, LLC; (5) Freedom Communications, Inc.; (6) Heartland Publications, LLC; (7) Morris Publishing Group; and (8) Affiliated Media Inc., holding company of MediaNews Group. Richard Pérez-Peña, *Sun-Times Files for Bankruptcy*, N.Y. TIMES, Mar. 31, 2009, available at <http://www.nytimes.com/2009/04/01/business/media/01paper.html> (last visited Feb. 9, 2010); David B. Wilkerson, *Minneapolis Star Tribune Files for Bankruptcy*, MARKETWATCH (online), Jan. 16, 2009, available at <http://www.marketwatch.com/story/minneapolis-star-tribune-files-for-chapter-11-bankruptcy> (last visited Feb. 9, 2010); Robert MacMillan, *Chicago Sun-Times Parent Files for Bankruptcy*, REUTERS, Mar. 31, 2009, available at <http://www.reuters.com/article/topNews/idUSTRE52U3OZ20090331?feedType=RSS&feedName=topNews> (last visited Feb. 9, 2010); *Journal Register Seeks Bankruptcy Protection*, N.Y. TIMES (Associated Press), Feb. 22, 2009, available at <http://www.nytimes.com/2009/02/22/business/media/22journal.html> (last visited Feb. 9, 2010); Robert MacMillan, *Philadelphia Papers Owner Files for Bankruptcy Protection*, REUTERS, Feb. 23, 2009, available at <http://www.reuters.com/article/idUSTRE51M1M720090223> (last visited Feb. 9, 2010); Michael J. de las Merced, *Freedom Communications Files for Bankruptcy*, N.Y. TIMES, Sept. 1, 2009, available at <http://www.nytimes.com/2009/09/02/business/media/02freedom.html> (last visited Feb. 9, 2010); Jacqueline Palank, *Heartland Publications Files for Chapter 11 Bankruptcy*, WALL ST. J., Dec. 21, 2009, available at <http://online.wsj.com/article/SB10001424052748703344704574610261552846586.html> (last visited Feb. 10, 2010); *Newspaper Publisher Morris Seeks Ch. 11 Protection*, ABC News (Associated Press), Jan. 19, 2010, available at <http://abcnews.go.com/Business/wireStory?id=9599225> (last visited Feb. 9, 2010); *MediaNews Group Makes It Official: Files 'Prepackaged' Bankruptcy*, EDITOR & PUBLISHER (Associated Press), Jan. 26, 2010, available at http://www.editorandpublisher.com/eandp/news/article_display.jsp?vnu_content_id=1004061331 (last visited Feb. 9, 2010).

⁸¹ See Tribune, Tribune Company Business Units and Websites, <http://www.tribune.com/about/webguide/index.html> (last visited Feb. 9, 2010) (listing Tribune's publications); Press Release, Sun-Times Media Group, Inc., Sun-Times Media Group Reports Circulation Performance (Oct. 26, 2009), available at <http://ir.thesuntimesgroup.com/releasedetail.cfm?releaseid=417963> (last visited Feb. 9, 2010) (noting Sun-Times Media's publication of the *Chicago Sun-Times*, seven other daily newspapers, and 51 weekly newspapers); The Star Tribune Company, Our Company, <http://www.startribunecompany.com/100> (last visited Feb. 9, 2010) (noting publication of *Minneapolis Star-Tribune*); Journal Register Company, Our Publications, <http://www.journalregister.com/publications.html> (last visited Feb. 9, 2010) (listing publication of 19 daily newspapers and 30 weekly newspapers); Philadelphia Newspapers, Philadelphia Newspapers Reorganization Information, <http://www.philly.com/philly/about/pnl/> (last visited Feb. 9, 2010) (noting Philadelphia Newspaper LLC's publication of *Philadelphia Inquirer* and *Philadelphia Daily News*); Freedom Communications, Inc., Company Information,

foreign news bureaus⁸² and/or to trim the scope of their news coverage.⁸³ Virtually all publishers – in both large and small markets across the country – have laid off valued newsroom employees

<http://www.freedom.com/company/> (last visited Feb. 9, 2010) (noting publication of 33 daily newspapers, including the *Orange County Register*, and 77 weekly newspapers); Morris Communications Company, LLC, Morris Publishing Group Daily Newspapers and Nondaily Newspapers, http://morriscomm.com/divisions/morris_publishing_group/index.shtml#show_map (last visited Feb. 9, 2010) (listing publication of 13 daily newspapers and 28 weekly newspapers); Press Release, Affiliated Media, Inc., Affiliated Media, Inc. Files Prepackaged Plan of Reorganization (Jan. 22, 2010), *available at* <http://www.medianewsgroup.com/Press/Releases/2010/Press%20Release%20-%20AMI%20Files%20Prepackaged%20Plan%20for%20Reorganization.doc> (last visited Feb. 9, 2010) (listing publication of 54 daily newspapers and more than 100 weekly newspapers).

⁸² Pew Project for Excellence in Journalism, *The State of the News Media* (2010) (“*PEJ 2010 State of the News Media Report*”), Newspapers, News Investment at 29, http://www.stateofthemedial.org/2010/printable_newspaper_chapter.htm (last visited Apr. 17, 2010) (noting that the recession and “accelerating ad losses” forced “[s]tatehouse and Washington bureaus” to be “gutted or closed” at many newspapers in 2009 and early 2010). For example, Cox Newspapers shut down its Washington, D.C. news bureau (which was founded in 1974) along with five international bureaus in April 2009. *Cox Newspapers to Close Washington Bureau*, THE HUFFINGTON POST, Dec. 2, 2008, *available at* <http://www.huffingtonpost.com/huff-wires/20081202/cox-newspapers/> (last visited Feb. 9, 2010). In March 2009, Media General similarly closed the doors of its Washington, D.C. News Service Bureau, which for 30 years had provided news and feature stories to all of Media General’s newspapers, television stations, and websites. John Reid Blackwell, *Media General Closing Washington News Bureau*, RICHMOND TIMES-DISPATCH, Mar. 14, 2009, *available at* http://www2.timesdispatch.com/rtd/business/local/article/B-MEDI14_20090313-211607/231243/ (last visited Feb. 9, 2010); *Media General’s Washington News Bureau To Close March 27*, Media General News Release, Mar. 13, 2009, *available at* http://www.mediageneral.com/press/2009/mar13_09_WashingtonBureau.html (last visited Feb. 9, 2010). In October 2009, *The Wall Street Journal* revealed plans to close its Boston bureau, explaining in a memo to journalists affected by the closure that “[w]e remain in the midst of a profound downturn in advertising revenue and thus must think the unthinkable.” Shira Ovide, *Wall Street Journal Closes Boston Bureau*, WALL ST. J., Oct. 29, 2009, *available at* <http://online.wsj.com/article/SB10001424052748704317704574503480514474764.html> (last visited Feb. 2, 2010); Erik Sass, *Been Town: ‘WSJ’ Closes Boston Bureau*, MEDIA DAILY NEWS (MediaPost), Oct. 29, 2009, *available at* http://www.mediapost.com/publications/index.cfm?fa=Articles.showArticle&art_aid=116378 (last visited Feb. 9, 2010). And, under pressure to cut costs, *The Washington Post* likewise announced in November 2009 that it would close its three remaining domestic bureaus in New York, Los Angeles, and Chicago. Howard Kurtz, *Washington Post Shuttters Last U.S. Bureaus*, WASH. POST, Nov. 24, 2009, *available at* <http://www.washingtonpost.com/wp-dyn/content/article/2009/11/24/AR2009112403014.html> (last visited Feb. 9, 2010); Bill Carter, *Washington Post to Shut U.S. Bureaus*, N.Y. TIMES, Nov. 25, 2009, *available at* <http://www.nytimes.com/2009/11/25/business/media/25post.html> (last visited Feb. 9, 2010).

⁸³ Even the nation’s largest and most respected dailies have been forced to recognize these harsh realities. *The Washington Post* eliminated its stand-alone Business Section, folding business news stories into the paper’s main section on all but one day of the week, and did away with the

and/or imposed pay reductions in order to stem severe losses.⁸⁴ According to one recent estimate, roughly 15,000 full-time reporting and editing jobs have disappeared during the past

print version of “Book World,” shifting reviews to space within two existing sections of the paper. Robert MacMillan, *Washington Post to Cut Business Section*, REUTERS, Mar. 13, 2009, available at <http://www.reuters.com/article/newsOne/idUSTRE52C5NP20090314> (last visited Feb. 9, 2010); Motoko Rich, *Washington Post’s Book World Goes Out of Print as a Separate Section*, N.Y. TIMES, Jan. 28, 2009, available at http://www.nytimes.com/2009/01/29/books/29post.html?_r=1 (last visited Feb. 9, 2010). In similar fashion, *The New York Times* cut its separate Metro News and Sports sections. Russell Adams, *New York Times Sets Plan to Merge Sections*, WALL ST. J., Sept. 6, 2008, available at <http://online.wsj.com/article/SB122066387069906077.html> (last visited Feb. 9, 2010). The *Atlanta Journal-Constitution* also has cut its stand-alone Business Section, merging it with another section. *Atlanta Newspaper to Merge Sections to Cut Costs*, ABC News (Associated Press), Feb. 23, 2009, available at <http://abcnews.go.com/Business/wireStory?id=6939345> (last visited Feb. 9, 2010). See also PEJ 2010 *State of the News Media Report*, Newspapers, News Investment at 29, http://www.stateofthemediamedia.org/2010/printable_newspaper_chapter.htm (last visited Mar. 18, 2010) (noting that “[s]eparate business and features sections disappear[ed]” in 2009 and early 2010).

In addition, in December 2009, the *Washington Times* announced that it would be implementing a new strategy to focus more narrowly on core coverage areas while slashing its coverage of local news, sports and features “to keep pace with the dynamically changing economics of the news business.” Jennifer Harper, *TWT Announces New Structure, Layoffs*, WASH. TIMES, Dec. 3, 2009, available at <http://www.washingtontimes.com/news/2009/dec/03/twt-announces-new-structure-layoffs/> (last visited Feb. 10, 2010); Howard Kurtz, *Washington Times Cuts in Staff, Coverage Cue New Era*, WASH. POST, Dec. 3, 2009, available at <http://www.washingtonpost.com/wp-dyn/content/article/2009/12/02/AR2009120203295.html> (last visited Feb. 10, 2010). The paper also announced a new circulation model, moving from subscription-based to a “controlled circulation model” with newspapers distributed free of charge in key Washington locations targeting audiences in the federal government and other institutions and with subscription home delivery offered at a premium price. See *id.*

⁸⁴ During one week alone in March 2009, *The New York Times*, *The Boston Globe*, the *Boston Herald*, the *Houston Chronicle*, the *Atlanta-Journal Constitution*, the *Milwaukee Journal Sentinel*, and *The Buffalo News* all announced substantial layoffs and pay cuts. Jennifer Harper, *Newspapers Seek Way Out of Hole*, WASH. TIMES, Mar. 29, 2009, at A03, available at <http://www.washingtontimes.com/news/2009/mar/29/newspapers-on-defense-nationwide/> (last visited Feb. 9, 2010). In October 2009, The New York Times Company announced further layoffs, stating that it would be eliminating 100 newsroom jobs by the end of the year; the following month, it revealed plans to lay off at least 25 editorial employees in February and May 2010. See Richard Pérez-Peña, *New York Times Moves to Trim 100 in Newsroom*, N.Y. TIMES, Oct. 20, 2009, available at http://www.nytimes.com/2009/10/20/business/media/20times.html?_r=1pagewanted=print (last visited Feb. 9, 2010); Richard Pérez-Peña, *New York Times News Service to Cut Jobs and Relocate*, N.Y. TIMES, Nov. 13, 2009, available at <http://www.nytimes.com/2009/11/13/business/media/13times.html> (last visited Feb. 9, 2010). In December 2009, the *Washington Times* decided to cut approximately 40 percent of its total newsroom staff – about 65 of 170 positions. Erik Sass, *Washington Times’ Cuts Staff 40%*, MEDIA DAILY NEWS (MediaPost), Dec. 31, 2009, available at

three years, falling from 55,000 to roughly 40,000 – a 27% decrease.⁸⁵

A precipitous drop in advertising revenues, which traditionally have accounted for approximately 80% of newspaper revenues, has been a key impetus for these cutbacks. In 2009, newspapers saw their advertising revenues tumble roughly 26%, bringing the total loss over the last three years to 43%.⁸⁶ The rate of decline was more than 50% steeper than in 2008, when the

http://www.mediapost.com/publications/?fa=Articles.showArticle&art_aid=119930 (last visited Feb. 9, 2010). Gannett likewise announced in December 2009 that it would be cutting 26 newsroom positions at *USA Today* and that it would be requiring employees of its community publishing division to take a second unpaid furlough in the first quarter of 2010. Ken Sweet, *Gannett Institutes More Furloughs, Layoffs at USA Today*, FOX BUSINESS, Dec. 1, 2009, available at <http://www.foxbusiness.com/story/markets/industries/media/gannett-institutes-week-furloughs/> (last visited Feb. 9, 2010).

⁸⁵ *PEJ 2010 State of the News Media Report*, Newspapers, Summary Essay at 1, http://www.stateofthedia.org/2010/printable_newspaper_chapter.htm (last visited Mar. 18, 2010). All told, 16,000 total newspaper employees lost their jobs in 2008, nearly 14,800 were laid off in 2009, and nearly 1,800 have been laid off in 2010 as of mid-April. See Paper Cuts, <http://papercuts.graphicdesignr.net/> (last visited Apr. 17, 2010) (reporting 1,792 newspaper layoffs as of April 17, 2010); Paper Cuts, *2009 Newspaper Layoffs and Buyouts*, <http://newspaperlayoffs.com/maps/2009-layoffs/> (last visited Apr. 17, 2010) (reporting 14,783 newspaper layoffs in 2009); Paper Cuts, *2008 Newspaper Layoffs and Buyouts*, <http://newspaperlayoffs.com/maps/2008-layoffs/> (last visited Apr. 17, 2010) (reporting 15,992 newspaper layoffs in 2008).

⁸⁶ *PEJ 2010 State of the News Media Report*, Executive Summary at 1, 8-9, http://www.stateofthedia.org/2010/chapter%20pdfs/2010_execsummary.pdf (last visited Mar. 18, 2010) (“Advertising losses, averaging 26% in 2009 (on the heels of a cumulative 23% loss the previous two years) left newspapers downsizing everything – the physical dimensions of the paper, the space devoted to news and, most painfully, their roster of news professionals.”); see also Nat Worden, *Ad Revenue Eludes Papers*, WALL ST. J., Nov. 4, 2009, available at <http://online.wsj.com/article/SB10001424052748703740004574513522033216210.html> (last visited Feb. 3, 2010) (“The reality is that newspapers are suffering severe declines in ad revenue this year on top of the double-digit percentage declines they suffered last year.”); Erik Sass, *No Rest for the Dreary: Newspaper Revs Fall 28%*, MEDIA DAILY NEWS (MediaPost), Nov. 19, 2009, available at http://www.mediapost.com/publications/?fa=Articles.showArticle&art_aid=117749 (last visited Feb. 9, 2010) (noting that total newspaper industry advertising revenues tumbled 28% from third quarter 2008 to third quarter 2009, and that the newspaper industry’s total print revenues experienced year-over-year declines for 14 straight quarters, while online revenues fell for 6 straight quarters).

newspaper industry's total advertising revenues declined 16.6%.⁸⁷ Even revenues from online advertising on newspaper websites – which often has been hailed as the industry's most promising future growth engine – declined by more than 10% in 2009 and accounted for just 10% of overall revenue.⁸⁸ The current economic recession has exacerbated this downward trend considerably, as advertisers have cut spending steeply in order to stem their own revenue losses. Among the most pronounced have been cutbacks in automobile advertising due to bankruptcies and financial turmoil in that industry, in real estate advertising due to the real estate bust and subprime mortgage crisis, and in retail due to decreases in consumer spending.⁸⁹ Classified

⁸⁷ *PEJ 2010 State of the News Media Report*, Executive Summary at 8, http://www.stateofthedia.org/2010/chapter%20pdfs/2010_execsummary.pdf (last visited Mar. 18, 2010); see also *Annual Advertising Expenditures*, <http://www.naa.org/TrendsandNumbers/Advertising-Expenditures.aspx> (“*Annual Advertising Expenditures*”) (last visited Feb. 9, 2010).

⁸⁸ See *PEJ 2010 State of the News Media Report*, Newspapers, Summary Essay at 2, Economics at 20-21, http://www.stateofthedia.org/2010/printable_newspaper_chapter.htm (last visited Mar. 18, 2010); see also *Annual Advertising Expenditures*; Erik Sass, *Newspapers' Online Strategies Failed in 2009*, MEDIA NEWS POST, Dec. 29, 2009, available at http://www.mediapost.com/publications/?fa=Articles.showArticle&art_aid=119834 (last visited Feb. 9, 2010) (observing that “[s]ome of the worst defeats for newspapers in 2009 came in online advertising,” and citing Newspaper Association of America data showing that newspapers' online revenues declined 15.5% in the first three quarters of 2009 compared to the same period in 2008); NAA, *Nielsen: Newspaper Sites Get 5.5% Rise in '09 Visitors*, MEDIA NEWS POST, Feb. 3, 2010, available at http://www.mediapost.com/publications/?fa=Articles.showArticle&art_aid=121745 (last visited Feb. 9, 2010) (noting that “[t]hrough the first three quarters of 2009, the NAA tallied total Internet revenues of about \$1.97 billion, representing just under 10% of total revenues of \$19.9 billion”).

⁸⁹ See Greg Bensinger and Bob Van Voris, *Chicago's Sun-Times Media Seeks Bankruptcy Protection (Update3)*, Bloomberg.com, Mar. 31, 2009, <http://www.bloomberg.com/apps/news?pid=20601087&sid=ajAExsdEoCRs> (last visited Feb. 9, 2010) (“Advertisers, particularly auto, retail and classified, have pulled back [in newspaper advertising] as the economy gets worse and worse.”); Richard Pérez-Peña, *Newspaper Ad Revenue Could Fall as Much as 30%*, N.Y. TIMES, Apr. 14, 2009, available at <http://www.nytimes.com/2009/04/15/business/media/15papers.html> (last visited Feb. 9, 2010) (reporting that, in 2008, “[s]ome of the biggest categories of advertising, like real estate and help wanted, all but evaporated” for newspapers); Erik Sass, *No Rest for the Dreary: Newspaper Revs Fall 28%*, MEDIA DAILY NEWS (MediaPost), Nov. 19, 2009, available at http://www.mediapost.com/publications/?fa=Articles.showArticle&art_aid=117749 (last visited Feb. 9, 2010) (noting that newspapers experienced a 43% decline in real estate and automotive

advertising revenues, in particular, have trended downward, both because of the poor economy in general and because of consumers' rapid adoption of online alternatives.⁹⁰ It is not surprising that these decreases have had a disproportionate impact on newspaper publishers, given the importance of advertising earnings to their business models.⁹¹

advertising revenues in the third quarter of 2009); Wayne Friedman, *Nielsen: U.S. Ad Spend Falls 11.5%*, MEDIA DAILY NEWS (MediaPost), Dec. 10, 2009, available at http://www.mediapost.com/publications/?fa=Articles.showArticle&art_aid=118897 (last visited Feb. 3, 2010) (reporting that overall U.S. advertising spending declined 11.5% during the first nine months of 2009, compared to the same time period a year ago, and noting that many of the same declining advertising categories, including automotive, continue to hurt media sales results).

⁹⁰ See *infra* Section III.B.2; see also *Hands Off the Journalist*, Remarks of Commissioner Meredith Attwell Baker Before The Media Institute (Jan. 21, 2010) (observing that “the success of Craigslist and eBay has significantly reduced highly profitable classified ads”); *PEJ 2010 State of the News Media Report*, Newspapers, Economics at 18, http://www.stateofthedia.org/2010/printable_newspaper_chapter.htm (last visited Mar. 18, 2010) (“By early 2007, the industry had already lost a significant share of the once-lucrative classified advertising franchise to competitors like Monster, Craigslist and Google search. The recession then made the decade-long swoon worse, with classified falling 40% [in 2009].”); Rick Poynter, *Classified Ad Revenue Down 70% in 10 Years, With One Bright Spot*, POYNTER ONLINE – THE BIZ BLOG, Feb. 1, 2010, <http://www.poynter.org/column.asp?id=123&aid=177005> (last visited Feb. 9, 2010) (finding that the overall decline in the newspaper industry’s classified ad earnings during the past decade “was a stunning 70 percent – from \$19.6 billion in 2000 to roughly \$6 billion in 2009”).

⁹¹ TNS Media Intelligence, *TNS Media Intelligence Reports U.S. Advertising Expenditures Declined 14.7 Percent In First Nine Months of 2009*, Dec. 8, 2009, <http://www.tns-mi.com/news/2009-Ad-Spending-Q3.htm> (last visited Feb. 9, 2010) (reporting that total measured advertising expenditures in the first nine months of 2009 dropped by 14.7 percent as compared to the same period in 2008, that ad spending during the third quarter of 2009 was down 15.3 percent versus last year, and that newspapers and radio severely lagged the overall ad market during this period); see also Erik Sass, *Newspapers To Hit Bottom in 2010 . . . Maybe?*, MEDIA DAILY NEWS (MediaPost), Dec. 16, 2009, available at http://www.mediapost.com/publications/?fa=Articles.showArticle&art_aid=119282 (last visited Feb. 9, 2010) (citing a survey of newspaper publishers, who agree that advertising revenues will continue to decline in 2010 and that losses will be “spread across classifieds, national, and retail (or local) advertising – in other words, all the major newspaper advertising categories”); Joe Mandese, *Nielsen: U.S. Ad Spending Plummets \$3.8 Billion*, MEDIA DAILY NEWS (MediaPost), June 8, 2009, available at http://www.mediapost.com/publications/?fa=Articles.showArticle&art_aid=107497 (last visited Feb. 9, 2010) (reporting that ad spending in the first quarter of 2009 was down 37.7% in Sunday newspaper supplements, which “experienced the greatest erosion of any major U.S. ad medium,” with ad spending in national newspapers close behind at a 27.7% drop); Deborah Yao, *Global Ad Spend Still to Fall, Signs of Bottoming*, ABC News (Associated Press), July 6, 2009, available at <http://abcnews.go.com/print?id=8011994> (last visited Feb. 9, 2010) (reporting drop in

On top of steep losses in advertising revenue, newspaper publishers are facing unprecedented circulation declines. In October 2009, the Audit Bureau of Circulations reported that newspaper sales had plummeted 10.6% on weekdays and 7.5% on Sundays compared with a year earlier – bringing overall circulation to its lowest point in nearly 70 years.⁹² This sharp drop followed declines of 7.1% from October 2008 through March 2009 and 4.1% from April through September 2008.⁹³ Thus, while newspaper circulation has been declining for many years, the recent losses indicate an accelerating trend.⁹⁴ The twofold hit that newspaper publishers have taken as a result of the downturns in advertising and circulation revenues is further reflected in the fact that the stock of publicly traded newspaper companies plunged nearly 83% in 2008.⁹⁵

advertising spending world-wide, with “U.S. ad spending for newspapers . . . expected to fall most steeply”).

⁹² *PEJ 2010 State of the News Media Report*, Newspapers, Summary Essay at 2, Audience at 8, http://www.stateofthedia.org/2010/printable_newspaper_chapter.htm (last visited Mar. 18, 2010) (citing data from the Audit Bureau of Circulations and noting that these numbers represent a decline in print audiences of 31.5% and 27% for daily and Sunday circulation, respectively, from peak totals in the last 25 years); Frank Ahrens, *The Accelerating Decline of Newspapers*, WASH. POST, Oct. 27, 2009, available at <http://www.washingtonpost.com/wp-dyn/content/article/2009/10/26/AR2009102603272.html> (last visited Feb. 9, 2010).

⁹³ Barbara Ortutay, *Newspaper Circulation Falling Fast*, USA TODAY, Oct. 26, 2009, available at http://www.usatoday.com/money/media/2009-10-26-newspaper-circulation_N.htm (last visited Feb. 9, 2010); Shira Ovide, *U.S. Newspaper Circulation Falls*, WALL ST. J., Oct. 27, 2009, available at <http://online.wsj.com/article/SB10001424052748703697004574497293992459948.html> (last visited Feb. 9, 2010).

⁹⁴ See Richard Pérez-Peña, *U.S. Newspaper Circulation Falls 10%*, N.Y. TIMES, Oct. 27, 2009, available at http://www.nytimes.com/2009/10/27/business/media/27audit.html?_r=1 (last visited Feb. 9, 2010) (noting that “[t]he two-decade erosion in newspaper circulation is looking more like an avalanche” and that “after years of slipping,” circulation has “accelerated sharply downward”); Frank Ahrens, *The Accelerating Decline of Newspapers*, WASH. POST, Oct. 27, 2009, available at <http://www.washingtonpost.com/wp-dyn/content/article/2009/10/26/AR2009102603272.html> (last visited Feb. 9, 2010) (noting that “[a]verage daily circulation of all U.S. newspapers has been in decline since 1987”).

⁹⁵ Pew Project for Excellence in Journalism, *The State of the News Media* (2009) (“*PEJ 2009 State of the News Media Report*”), Executive Summary at 10, <http://www.stateofthedia.org/2009/chapter%20pdfs/COMPLETE%20EXEC%20SUMMARY%20PDF.pdf> (last visited Feb. 17, 2010).

Although the stock prices of publicly traded newspaper companies increased in 2009 over their 2008 levels, they remain drastically lower than where they stood in 2005, shedding on average nearly three-quarters of their value in the past four years.⁹⁶

This turmoil has been recognized at the highest levels of government; indeed, as discussed below, U.S. House of Representatives Speaker Nancy Pelosi sent a letter last year to Attorney General Eric Holder chronicling the dire financial state of the newspaper industry and suggesting a need to alter the traditional approach to considering transactions involving newspapers in light of the industry's troubled financial condition.⁹⁷ In launching its "Future of Media" initiative in 2010, the Commission similarly acknowledged that "[t]he layoffs of

⁹⁶ See Alan Mutter, *News-Stock Surge: Boom or Dead-Cat Bounce?*, Reflections of a Newsosaur, Jan. 4, 2010, <http://newsosaur.blogspot.com/2010/01/news-stock-surge-boom-or-dead-cat.html> (last visited Feb. 18, 2010); *PEJ 2010 State of the News Media Report*, Newspapers, Summary Essay at 2, 5, Economics at 24, http://www.stateofthedia.org/2010/printable_newspaper_chapter.htm (last visited Mar. 18, 2010) (reporting that only one newspaper company stock was trading for more than \$5 a share and several were in "penny stock territory" in March 2009 and, though stocks had ticked up by the end of the year from "the rock bottom prices of spring 2009," the valuations were still just a small fraction of what they had been in 2005 and 2006).

⁹⁷ See Letter from Nancy Pelosi, Speaker of the House, to The Honorable Eric J. Holder, Attorney General of the United States (Mar. 16, 2009). On September 24, 2009, the House Joint Economic Committee, chaired by Representative Carolyn Maloney (D-NY), held hearings on the implications of the deterioration of the newspaper industry for the broader economy and explored options for federal government involvement to help strengthen the industry. See Ann Sanner, *Newspaper Rep Urges Tax Break To Help with Losses*, ABC News (Associated Press), Sept. 24, 2009, available at <http://abcnews.go.com/Politics/wireStory?id=8667155> (last visited Feb. 9, 2009). Further, in connection with a recent 2010 Quadrennial Review workshop focusing on the current financial and economic conditions and marketplace factors affecting the media industry, lenders appearing on a panel pointed to the "perfect storm" of a down economy that hammered overleveraged broadcasters and Internet competition that continues to drain advertising dollars away from the sector, resulting in a lack of interest in lending to broadcasters. See FCC, News Release, *Media Bureau Announces Panelists and Agenda for Media Ownership Workshop on Financial and Marketplace Issues*, MB Docket No. 09-182 (rel. Jan. 5, 2010); see also John Eggerton, *Lenders Make Pitch to FCC to Loosen Media Ownership Rules*, BROAD. & CABLE, Jan. 12, 2010, available at http://www.broadcastingcable.com/article/443725-Lenders_Make_Pitch_to_FCC_to_Loosen_Media_Ownership_Rules.php (last visited Feb. 9, 2010). Speakers on a second panel about smaller broadcasters were in agreement that additional broadcast bankruptcies are likely due to the financial conditions in the industry. See Jonathan Make, *Media Deregulation Seen Helping Cash-Strapped Industry*, COMM. DAILY, Jan. 13, 2010, at 4-6.

thousands of journalists have prompted concern from a wide variety of independent analysts and groups that we may end up with fewer ‘informed communities’” and that “[t]hese trends could have dire consequences for our democracy and the health of communities, hindering citizens’ ability to hold their leaders and institutions accountable.”⁹⁸

The broadcast industry similarly is in the midst of a serious financial retrenchment. As the Project for Excellence in Journalism recently reported, earnings at local television stations were “in a free fall” in 2009; at the end of the year, “industry revenues had fallen to levels not seen since the mid-1990s.”⁹⁹ In particular, television stations’ advertising revenue is estimated to have dropped 22% in 2009, more than triple the decline of 7% in 2008.¹⁰⁰ Notably, this represents a decrease of 25% from the previous non-election year.¹⁰¹ While stations did experience growth in the advertising revenue from their websites, these earnings amounted to

⁹⁸ *Future of Media Public Notice*, *supra* note 65, at 1-2.

⁹⁹ *PEJ 2010 State of the News Media Report*, Local TV, Summary Essay at 1, Economics at 9, http://www.stateofthedia.org/2010/printable_local_tv_chapter.htm (last visited Mar. 18, 2010).

¹⁰⁰ *PEJ 2010 State of the News Media Report*, Executive Summary at 1, http://www.stateofthedia.org/2010/chapter%20pdfs/2010_execsummary.pdf (last visited Mar. 18, 2010); *PEJ 2009 State of the News Media Report*, Executive Summary at 20, <http://www.stateofthedia.org/2009/chapter%20pdfs/COMPLETE%20EXEC%20SUMMARY%20PDF.pdf> (last visited Feb. 17, 2010); *see also* Television Bureau of Advertising, *Broadcast Television Ad Revenues Were Down 22.6% in 3rd Quarter*, Dec. 18, 2009, http://www.tvb.org/rcentral/AdRevenueTrack/revenue/2009/ad_figures_1.asp (last visited Feb. 9, 2010); *PEJ 2010 State of the News Media Report*, Local TV, Economics at 10, http://www.stateofthedia.org/2010/printable_local_tv_chapter.htm (last visited Mar. 18, 2010) (reporting that, in the first nine months of 2009, automobile advertising – the most important advertising category for local television stations – was down 52%, and that revenue from 24 of the top 25 categories of local television advertisers was down sharply during this time period).

¹⁰¹ *PEJ 2010 State of the News Media Report*, Local TV, Summary Essay at 1, Economics at 9, http://www.stateofthedia.org/2010/printable_local_tv_chapter.htm (last visited Mar. 18, 2010) (“Ad revenue is always lower in a year without federal elections or the Olympics, but the drop in 2009 was especially severe even with the unexpected bounty of political spending on health care legislation. . . . The last two non-election years, by contrast, recorded much smaller declines: 5% in 2005 and 6% in 2007.”).

only 8% of their 2009 revenues.¹⁰² These results have crippled television station budgets and severely strained stations' ability to deliver local news.¹⁰³ Due to the "structural challenge" currently facing the industry, "[s]tations, after years of declines in audience, may be nearing a point where they can no longer add new newscasts or pursue new revenue opportunities. . . ."¹⁰⁴ The newsgathering operations of struggling broadcasters are "getting smaller,"¹⁰⁵ and many have

¹⁰² *Id.*, Summary Essay at 1 (noting further that there is "little prospect of [online revenues] buoying [local television stations] anytime soon"); *see also id.*, Economics at 10 (noting that on-air advertising revenues represent "\$9 out of every \$10" of TV station revenues).

¹⁰³ *See id.*, News Investment at 17 (citing the latest survey data from 2008 that shows "hefty budget reductions and deep cuts in the newsroom," and stating that news directors at local stations expected their budgets to be even smaller in 2009 than they were in 2008).

¹⁰⁴ *Id.*, Summary Essay at 1. Broadcasters' budgets, furthermore, were already strained by the mandated capital-intensive digital television conversion. As discussed below, Tribune has added to its already substantial news programming in Chicago despite the dismal economic conditions. *See infra* Section III.A.1.

¹⁰⁵ *PEJ 2010 State of the News Media Report*, Local TV, Summary Essay at 1, http://www.stateofthemediamedia.org/2010/printable_local_tv_chapter.htm (last visited Mar. 18, 2010).

been forced to lay off news staff or implement hiring freezes.¹⁰⁶ Radio stations have similarly been suffering, with 2009 revenues down 18% compared to 2008 revenues.¹⁰⁷

Like other media companies, Tribune has suffered continuing financial difficulties in recent years. Since 2007, the economic and advertising crises have been substantial, and Tribune, like many of its peers, has suffered a material decline in advertising business. In 2008, Tribune's publishing revenue decreased 12%, primarily due to an 18% decrease in advertising revenue and a 2% decrease in circulation. Tribune's broadcasting and entertainment revenue decreased 2% in 2008. At December 28, 2008, the consolidated financial statements of Tribune included approximately \$4.4 billion in total assets and approximately \$14.8 billion in total liabilities. At December 27, 2009, the consolidated financial statements of Tribune included approximately \$5.0 billion in total assets and approximately \$14.3 billion in total liabilities. In 2009, Tribune's publishing revenue decreased approximately 19%, with advertising revenue

¹⁰⁶ See *id.*, News Investment at 18-19; see also Sarah McBride, *Clear Channel's Parent Cuts 590 Jobs*, WALL ST. J., Apr. 29, 2009, available at <http://online.wsj.com/article/SB124095285316665235.html> (last visited Feb. 9, 2010) (reporting Clear Channel Communications Inc.'s decision to cut 590 jobs in its second round of mass layoffs in 2009 amid pressure from the recession and evaporating advertising budgets); Chris Ariens, *Layoffs at ABC News Radio*, TV Newser, Oct. 6, 2009, http://www.mediabistro.com/tvnewser/abc/layoffs_at_abc_news_radio_139400.asp (last visited Feb. 9, 2010) (reporting that about 20 staffers from the editorial, production, and technical staffs at ABC News Radio in New York and Washington, D.C. were let go in October 2009); Glen Dickson & Marisa Guthrie, *ABC Lays Off 31 in Broadcast Operations, Engineering*, BROAD. & CABLE, Jan. 27, 2010, available at http://www.broadcastingcable.com/article/446188-ABC_Lays_Off_31_in_Broadcast_Operations_Engineering.php (last visited Feb. 9, 2010) (reporting that ABC would be cutting 31 positions in its Broadcast Operations & Engineering group); Matea Gold, *CBS News Braces for More Layoffs Next Week*, L.A. TIMES, Jan. 31, 2010, available at <http://articles.latimes.com/2010/jan/30/business/la-fi-ct-cbs-news30-2010jan30> (last visited Feb. 9, 2010) (reporting that CBS News is preparing a significant round of layoffs expected to affect every CBS News program and as many as 100 positions, or 7% of CBS News' 1,400-person staff).

¹⁰⁷ PEJ 2010 *State of the News Media Report*, Audio, Summary Essay at 2, http://www.stateofthedia.org/2010/printable_audio_chapter.htm (last visited Mar. 18, 2010); *Second Quarter Revenues Drop 22% – But RAB Sees Bottom*, INSIDE RADIO, Aug. 24, 2009, available at <http://www.insideradio.com/article.asp?id=1468449> (last visited Feb. 18, 2010).

down 26% compared to 2008. Tribune's broadcasting and entertainment revenue decreased 19% in 2009 compared to 2008.¹⁰⁸

While Tribune's performance is comparable – and in some areas superior – to that of its peers in the newspaper and broadcasting businesses, its operations have been adversely affected by the general deterioration in the newspaper publishing and broadcasting industries and, in particular, the continuing severe decline in advertising revenues that has occurred during the current recession. On December 8, 2008, Tribune and most of its subsidiaries, including those that operate its newspapers and broadcast stations, commenced proceedings under Chapter 11 of the Bankruptcy Code.¹⁰⁹ On April 12, 2010, Tribune and its affected subsidiaries filed a Joint Plan of Reorganization (the "Plan") with the Bankruptcy Court. Under the Plan, which is subject to approval by the Bankruptcy Court, Reorganized Tribune expects to become a publicly traded company, and certain creditors of Tribune and its subsidiaries will receive common stock and/or warrants as provided for in the Plan.

Overwhelming evidence and compelling policy considerations support a permanent waiver of the NBCO Rule with regard to the Chicago combination. The Commission must evaluate the instant request for waiver of the NBCO Rule within the context of the tortured history of the NBCO Rule, the fact that the Commission has determined that an absolute ban on cross-ownership does not serve the public interest (a finding affirmed by the Third Circuit), and the prevailing economic conditions of the newspaper and broadcasting industries in general and

¹⁰⁸ These figures demonstrate that Tribune continues to face serious financial challenges. Moreover, it is significant that since December 8, 2008, when the company and its subsidiaries commenced bankruptcy proceedings, they have been free of any debt service obligations as a result of the automatic stay that applies under the bankruptcy laws, yet Tribune's financial condition has continued to deteriorate; were it not for the current lack of any obligation to service debt, its financial results would surely be far worse.

¹⁰⁹ See *In re Tribune Company, et al.*, *supra* note 7.

Tribune in particular. Specifically, the Commission must take account of (1) its 14-year-old commitment to revise the NBCO Rule; (2) the almost nine years that have elapsed since the initiation of proceedings to do so for both radio and television stations; (3) the agency's almost seven-year-old action first repealing the absolute ban and adopting a rule that would have permitted outright the continued common ownership of WGN-TV, WGN(AM), and the *Chicago Tribune*; (4) its two-year-old decision to add liberalized waiver standards to the NBCO Rule that likely would permit continued common ownership of these properties; and (5) its grant over two years ago of a permanent waiver of the NBCO Rule covering the same properties that are at issue here. It also must take into account, in these difficult financial times, the inevitable harm to the public interest that would result from breaking up a combination that has served the Chicago community for more than 60 years. Further, the Commission must recognize that permitting Tribune to emerge from bankruptcy with its assets intact is the only way to provide the company with a much-needed fresh start and to promote the agency's policy of affording comity to the bankruptcy process.

III. TRIBUNE'S CONTINUED OWNERSHIP OF THE CHICAGO PROPERTIES WILL SERVE THE PUBLIC INTEREST.

A. Tribune's Chicago Properties Provide Outstanding And Diverse Local Public Service Benefits To The Community That Would Not Be Possible Absent Common Ownership.

1. The Common Ownership Of WGN-TV, WGN(AM), And The Chicago Tribune Delivers Innumerable Public Interest Benefits.

Over the more than 60 years of Tribune's common ownership of WGN-TV, WGN(AM), and the *Chicago Tribune*, these properties have provided myriad public interest benefits to residents of the Chicago DMA. Joint efforts between these media properties – and Tribune's local cable news channel, CLTV – have measurably improved each one's ability to deliver in-depth coverage of news events and to contribute to the community's awareness and

understanding of important local, national, and international issues. Through their common ownership with the *Chicago Tribune*, WGN-TV, and WGN(AM) provide programming and local public interest benefits that no television station, radio station, or newspaper on its own could otherwise offer. These benefits flow directly to the public, and would have been difficult if not impossible to attain absent common ownership and Tribune's steadfast commitment to bringing news and public affairs programming benefits to the public.

Facilities, Operations, and Employees. The manner in which the facilities, operations, and employees of Tribune's Chicago properties are organized facilitates the provision of the benefits of common ownership to the public without compromising the ultimate editorial independence of each of the properties. WGN-TV, which is a CW affiliate, operates from a studio facility and offices located at 2501 West Bradley Place, approximately six and a half miles from Tribune Tower in downtown Chicago; Tribune Tower houses the *Chicago Tribune's* editorial and administrative staff and the WGN(AM) studios, as well as Tribune's corporate headquarters and other business units. Tribune's local cable news channel, CLTV, as well as the programming, promotions, and technical operations of WGN America (Tribune's national cable and satellite superstation), are also managed from WGN-TV's studios.

To enable easy information exchange among the *Chicago Tribune*, WGN-TV, WGN(AM), and CLTV, Tribune has established data links connecting their facilities, including telephone and fiber links and two-way microwave hops for transmitting both video and audio information. *Chicago Tribune*, WGN-TV, and WGN(AM) also share access to a common "tip line" that allows readers, viewers and listeners to share news leads. In a recent example, local residents flooded the "tip line" with reports of financial papers swirling in the air in a suburb northwest of Chicago. An alert newspaper photographer captured video for the Tribune

websites, and a report ran in *Chicago Tribune* the next day. Tribune also operates an internal wire service through which its properties nationwide share stories and information that they may use as they see fit.

WGN-TV and CLTV maintain a television studio in *Chicago Tribune*'s newsroom, from which they originate video reports and news interview segments featuring *Chicago Tribune* reporters. These reporters appear on a regular basis three or four times per week during WGN-TV's midday newscast. In addition, when breaking news warrants, WGN-TV news anchors interview *Chicago Tribune* reporters with experience related to the news development for use in WGN-TV's newscasts throughout the day. WGN(AM) on-air hosts similarly interview *Chicago Tribune* reporters when news breaks in their areas of expertise or when the radio station's talk show hosts are discussing topics which the newspaper has been covering. WGN(AM) recently began broadcasting from a new, state-of-the-art news studio facility adjacent to the *Chicago Tribune* newsroom. This close proximity facilitates interaction between journalists from the two news staffs, allowing *Chicago Tribune* reporters to add timeliness and depth to WGN(AM) reports. Using cell phones, "smart phones," and recording equipment, the print reporters will provide news reports and information to be used on-air on WGN(AM), supplementing the station's own reporting. With access to increased resources, WGN(AM) gains more "different looks" at different stories, offering listeners greater in-depth team coverage.

Many *Chicago Tribune* reporters and photographers carry video cameras and make their video available via a dedicated fiber connection to WGN-TV and CLTV, as well as to the websites operated by WGN-TV, WGN(AM), and CLTV. Similarly, WGN-TV's video is available for use on the separate websites of *Chicago Tribune*, WGN(AM), and CLTV, bringing that footage to as many Chicago residents as possible as quickly as possible. In the context of

breaking news stories, WGN(AM) reporters have used their cell phone cameras to capture video images that have been published to the other properties' websites. The extensive data connections among Tribune's Chicago properties allow them to readily share and utilize this content.

Bringing together the resources of its commonly owned properties in the Chicago market, Tribune has established the Chicago Breaking News Center website (www.chicagobreakingnews.com), which provides area residents with the latest breaking news updates at all times of the day and night and offers a free email alert service to registered users. WGN-TV, WGN(AM), CLTV, and *Chicago Tribune* all contribute information to the Chicago Breaking News Center, which operates from Tribune Tower. The Chicago Breaking News Center allows area residents and end users access to Tribune's combined newsgathering and reporting resources in the market. Each of Tribune's Chicago properties contributes stories, content, and links to the website. Then editors from the Chicago Breaking News Center choose which of this information to post to the site. WGN-TV and WGN(AM) also have a Twitter service that supplies links to top stories around the clock. As an increasing number of people turn to online sources for news, chicagobreakingnews.com gives access to high quality, objective news reports in a timely manner.

As of the end of the first quarter of 2010, WGN-TV has 297 full-time and part-time employees, 129 of whom work in the station's news department; WGN(AM) has 83 full-time and part time employees, seven of whom work on news; and Chicago Tribune has 1,606 full-time and part-time employees, 431 of whom work on news and editorial content. Despite the current recession's extraordinary impact on the broadcast industry, Tribune has maintained employment at WGN-TV at an essentially constant level over the last five years. Although all

three properties cooperate to provide the DMA with the best content possible, the stations and the newspaper formally share only those employees involved in reporting on the weather.

WGN-TV chief meteorologist Tom Skilling and his staff provide weather forecasts for WGN-TV, CLTV, WGN(AM), and *Chicago Tribune*.

News Coverage. WGN-TV's current local news schedule is as follows:

<i>Program</i>	<i>Time</i>	<i>Days</i>	<i>Hours/day</i>	<i>Hours/week</i>
<i>WGN Morning News</i>	5:00 am – 9:00 am	Monday – Friday	4	20
<i>WGN Midday News</i>	11:00 am – 1:00 pm	Monday – Friday	2.0	10.0
<i>WGN Evening News</i>	5:00 pm – 6:00 pm	Monday – Friday	1.0	5.0
<i>WGN News at Nine</i>	9:00 pm – 10:00 pm	Monday – Sunday	1	7
<i>TOTALS:</i>	<i>Monday - Friday</i>		8	42.0
	<i>Saturday - Sunday</i>		1	

In just the last two years, WGN-TV has increased the amount of local news it broadcasts by 10 hours per week; the station currently provides 42 hours of local weekly newscasts.¹¹⁰

Specifically, on September 15, 2008, WGN-TV launched a half-hour weekday early evening newscast, *WGN Evening News*, and added a half hour per weekday to the *WGN Midday News*.

On October 5, 2009, the station added another half-hour to the *WGN Midday News* and another half-hour to the *WGN Evening News*, bringing the total to 42 hours of local newscasts weekly, more than any other station in the market. This news programming distinguishes WGN-TV from other CW affiliates, the majority of which do not originate their own local newscasts.

¹¹⁰ See Hours and Audience Ratings of Local News – Chicago, IL DMA (Attachment 1 hereto). WGN-TV's news total is current as of April 2010.

In addition to its regularly scheduled newscasts, WGN-TV also broadcasts a half-hour public affairs program each week. This program airs Saturdays at 6:30 am and alternates between two shows: *People to People*, which provides news and commentary on issues of concern to Chicago's African-American population, and *Adelante, Chicago*, which provides news and commentary on issues of particular concern to local Hispanic residents.

Access to the combined resources of Tribune has not only helped WGN-TV increase the quantity of news it broadcasts, but has allowed the station to deliver a far superior news product than is the case for many television stations not affiliated with one of the Big-four networks. *WGN Morning News* has ranked in the top two in the market for the last two years, ahead of the local and network programming on the NBC, Fox, and CBS O&Os. *WGN Midday News* is ranked second in the market, behind only WLS-TV, the ABC O&O. Although there are only two 9:00 pm newscasts in the market, the *WGN News at Nine* is ranked ahead of the competing newscast on WFLD(TV), the Fox O&O.¹¹¹ Without the combined resources of all of Tribune's Chicago properties, it is unlikely that WGN-TV would be able to deliver a news product of such high quality and competitiveness.

WGN(AM)'s programming has similarly benefited from the station's common ownership with Tribune's other Chicago media properties. WGN(AM) operates 24 hours a day, seven days a week, in a local news/talk format. The programming is entirely locally produced and does not include any syndicated programming – a true rarity in the radio industry today. During morning drive time (5:00 am to 9:00 am), the newscasts are 5:25 minutes in length at the top of the hour (exclusive of commercials) and feature traffic, weather, and sports updates. At the bottom of the hour, the newscasts are 4:55 minutes in length (exclusive of commercials) and include traffic,

¹¹¹ *See id.*

weather, and sports updates. The rest of the day, top-of-the-hour news reports are 4:45 minutes, and bottom-of-the-hour news reports are 3:50 minutes, both exclusive of commercials. In addition to the traffic and weather reports heard during newscasts, WGN(AM) airs traffic and weather updates every 10 minutes during morning drive time and every 15 minutes during the afternoon rush hour. In morning drive, the programming is predominantly news-oriented; during afternoon drive, the station's programming includes extended news updates but is more talk-oriented than during morning drive. During the rest of the day, regular programming is preempted for breaking local, national, and international news events, as warranted. WGN(AM) competes with news radio station WBBM(AM), other news/talk stations such as WIND(AM) and WLS(AM), sports/talk stations WMVP(AM) and WSCR(AM), and noncommercial station WBEZ(FM).

During bad weather, WGN(AM) operates the Emergency Closing Center ("ECC"), a service that allows schools, businesses, and organizations to register their facilities in order to have WGN(AM) announce emergency and weather-related closings. The ECC is the only service of its kind in the Chicago area, meaning that *all* other media outlets that report school/business/organization closing information receive this information from WGN(AM)'s ECC. Listeners also can access the WGN(AM) website for a full list of closings that is updated every 15 minutes or register to receive e-mail notification when their selected facility has closed. Nearly 6,000 schools, businesses, and other facilities utilize WGN(AM)'s ECC service to publicly disseminate their respective closings.

To expand the local news coverage provided by WGN-TV, WGN(AM), CLTV, the *Chicago Tribune*, and chicagotribune.com, assignment editors and news managers of each hold two daily conference calls, one in the morning and one in the afternoon, to discuss what stories

are being covered that day. Their assignment editors also share news tips received throughout the day and, working together, ensure that breaking news stories are disseminated in the fastest way possible. These discussions allow the newspaper, the television and radio stations, CLTV, and chicagotribune.com to allocate their resources across the widest number of developments in the Chicago area and deliver the broadest possible coverage of local news. WGN(AM) producers frequently make use of *Chicago Tribune*'s extensive archives to enhance the station's coverage of local issues. WGN-TV's local reporting also benefits from access to these archives, including the newspaper's photographic archives.

In addition to this collaboration on regular newscasts and daily print coverage, WGN-TV, WGN(AM), CLTV, chicagotribune.com, and *Chicago Tribune* have worked together to produce special and recurring reports on many issues of importance to the community, including the following:

- On March 20, 2010, reporters at WGN-TV and *Chicago Tribune* worked together on an investigative report exposing the Chicago courts' practice of granting probation to drivers found guilty of driving at speeds in excess of 40 miles per hour over the speed limit rather than placing the infraction on the drivers' records. This report and ensuing publicity led to state legislation to curtail the courts' discretion in employing probation for egregious speeding offenders.
- Also, in March 2010, WGN-TV and *Chicago Tribune* reporters collaborated on a special report on the U.S. Census. The story focused on the importance of the Census to Chicago's Latino community, and WGN-TV's reporter prepared a follow-up story for Tribune's Spanish-language paper, *HOY*.
- On February 22, 2010, WGN-TV and *Chicago Tribune* staff worked together on the "Safe Passage" project, which involved reports focused on safety tips for young people living in crime-prone areas. The stories aired on WGN-TV, ran in the newspaper, and appeared online. The television station and the newspaper also worked together on a similar March 4, 2010 story.
- During the recent debate over national healthcare, *Chicago Tribune* reporter Rick Pearson frequently contributed news and commentary on the progress of the Congressional legislation to WGN-TV's newscasters.

- At the end of last year, a reporter for WGN-TV and a reporter for *Chicago Tribune* collaborated on a report showing that many Chicago area bars are defying a statewide smoking ban. Both reporters shared the byline on the story that ran in the newspaper; WGN-TV aired the story on its newscasts.
- Also at the end of last year, WGN-TV and *Chicago Tribune* reporters worked on a special report highlighting the physical challenges faced by an Illinois highway safety worker injured in an accident involving an out-of-state driver and his attempts to motivate state officials to seek justice on his behalf.
- At the beginning of this year, WGN(AM) aired a report about the closing of one of Chicago's last two operating dairies; the piece featured an on-location segment by a *Chicago Tribune* reporter.
- WGN(AM)'s recent coverage of the advance of the invasive Asian carp species towards Lake Michigan also has been enhanced by the station's access to *Chicago Tribune's* reporting resources. For example, in its on-air reports, WGN(AM) has made use of audio from interviews conducted by *Chicago Tribune* reporters.
- WGN-TV and *Chicago Tribune* have collaborated on a series of stories detailing what happens at the Mexico-U.S. border to allow illegal immigrants to reenter the United States time and time again. Reporters from each property accompanied a planeload of illegal immigrants returned from Chicago to Mexico and documented the activities that brought them back into the U.S. illegally.
- A WGN-TV reporter embedded with a group of Illinois National Guard troops in Iraq filed stories in 2009 regarding the troops' experiences for WGN-TV, WGN(AM), and *Chicago Tribune*.
- WGN(AM) has aired on-location reports from *Chicago Tribune* reporters covering pretrial proceedings in the Drew Peterson murder trial in Joliet, Illinois. Although WGN(AM)'s news department lacks sufficient staff to cover the trial in Joliet, its relationship with the *Chicago Tribune* allows listeners to receive more in-depth coverage of that story.
- All of Tribune's Chicago properties recently collaborated on a special "Recession Relief" project, which provided analysis, tips, and advice to help Chicago area residents understand and cope with the current economic downturn. This project involved on-air and online news reports on the television and radio stations and their websites, as well as related in-depth stories published in the *Chicago Tribune*. WGN-TV produced and aired a weeklong series of reports during all its newscasts that informed viewers about how to save money on expenses ranging from travel to clothing to dining and entertainment. WGN(AM) also broadcast on-air segments providing similar information. Each WGN-TV story was timed to coincide with a related story in the *Chicago Tribune* and supplemental material was included on the WGN(AM), WGN-TV, and *Chicago Tribune* websites.

- In January 2010, WGN-TV and *Chicago Tribune* worked together to prepare and disseminate “Reinvention Week,” a week-long series of stories on people making themselves over in the new year. For example, one story focused on people who change their careers to do something they find more enjoyable, and a second report examined men who undergo plastic surgery to improve their self-image.
- In early December 2009, WGN-TV and the *Chicago Tribune* collaborated on “Holiday Survival Week,” a series of stories and interviews on how to reduce stress. WGN-TV featured *Chicago Tribune* writers on-air to report on their newspaper stories. WGN-TV produced two stories: one concerning fun events for families during the holidays and a second regarding how to avoid stress at family functions.
- The week of October 25, 2009, WGN-TV and *Chicago Tribune* teamed up for “Preventive Healthcare Week,” a series of stories and interviews designed to educate viewers and readers on health-related issues and preventive medicine. WGN-TV featured *Chicago Tribune* reporters on-camera to discuss their newspaper stories. WGN-TV also produced three unique reports on the best uses of vitamins and dietary measures to fight the flu, and the benefits of proper exercise.
- On a regular basis, *Chicago Tribune* media critics Phil Rosenthal and Maureen Ryan appear on WGN(AM)’s morning news programming and provide insight into media and entertainment news stories, including, most recently, NBC’s ouster of Conan O’Brien as host of *The Tonight Show*.
- The television station and newspaper also regularly collaborate on a feature called “Prep Athlete of the Month.” The members of the sports departments of WGN-TV and *Chicago Tribune* confer on the selection of the athlete, and both then provide coverage after the recipient is chosen. WGN-TV also selects a “Teacher of the Month,” whose award is publicized on-air and on the station’s website. In addition, WGN-TV’s newscasts include a segment titled “Chicago’s Very Own,” which profiles individuals who are making special contributions to the Chicago community.
- *Chicago Tribune*’s food critic frequently contributes to WGN(AM)’s broadcasts, particularly during the station’s morning broadcasts.
- *Chicago Tribune* sports reporters also frequently provide on-air reporting for WGN-TV, including a recurring feature called “Baseball Insider.”
- *Chicago Tribune* real estate and business reporters regularly provide reports on WGN(AM)’s morning and midday shows.
- Rick Kogan, a senior writer and columnist for *Chicago Tribune*’s Sunday magazine, also hosts “The Sunday Papers,” a Sunday morning program on

WGN(AM) featuring discussions of the weekend's news and interviews with Chicago newsmakers.

- Michael Phillips, *Chicago Tribune*'s chief film critic, contributes to WGN(AM)'s programming once or twice each week by discussing his latest movie reviews.

Tribune's Chicago news organizations have also worked closely together on a number of occasions to deliver improved coverage of breaking news events, including the following recent examples:

- On April 15, 2010, when a large meteorite appeared as a huge fireball in the night sky over several Midwestern states including Illinois, staff from all three Tribune properties worked together over the next twenty-four hours to cover the developing story for area residents. The Chicago properties first received a tip about the "flash in the sky" by email at 10:30 pm on April 15. Chicagobreakingnews.com posted a story about the sighting at 11:54 pm, and WGN(AM) aired the story at midnight. The Breaking News Center continued updating the story throughout the night with information from the National Weather Service and a WGN-TV reporter. The next morning, WGN(AM) broadcast interviews with a police officer whose dashboard camera caught the event on camera, an astronomy expert, and others; WGN(AM) shared audio of the interviews with the newspaper and website. The newspaper's coverage credited WGN(AM) staff members' contributions in its April 16 edition, as did chicagobreakingnews.com.
- On March 20, 2010, the *Chicago Tribune* provided information to *WGN News at Nine* regarding a forthcoming investigation of Mayor Daley and the Chicago Public Schools.
- On December 23, 2009, WGN-TV editor Pat Curry broke a story about an armed robbery on Chicago's South Side, during which one of the victims wrestled a gun from one of the assailants and then shot and killed him. The story aired first on WGN-TV, continued on both WGN-TV and WGN(AM) throughout the day on December 23, and appeared in the Christmas Eve edition of the *Chicago Tribune*.
- On December 10, 2009, WGN-TV, WGN(AM), and *Chicago Tribune* collaborated to break a story about a high-rise fire on Chicago's Gold Coast that resulted in a fatality. The fire occurred too late in the evening to appear on WGN-TV's late evening news or in the December 11 edition of the *Chicago Tribune*, but reporters from all three outlets cooperated in getting the story online on chicagobreakingnews.com, and both WGN-TV and WGN(AM) reported the story on their early morning newscasts.

- On November 28, 2009, WGN-TV and *Chicago Tribune* together broke a story regarding former NBA star Antoine Walker's ownership of run-down apartment buildings in poor neighborhoods of Chicago.
- In November 2009, WGN-TV and *Chicago Tribune* worked cooperatively to cover the suicide of Chicago's school board president. WGN-TV broke the story and fed it to chicagobreakingnews.com, and the television station and the newspaper cooperated in their ongoing coverage of the story and its aftermath.
- When Chicago Blackhawks forward Patrick Kane was arrested in August 2009 in Buffalo, New York, for allegedly beating a taxi driver there, a WGN(AM) employee who was in Buffalo provided background information and photos that were used by the radio station, WGN-TV and *Chicago Tribune*, allowing them to break this story before other broadcast stations and newspapers in Chicago.
- On August 19, 2009, *Chicago Tribune* reporter Liz Sly was interviewed live from Iraq on WGN(AM) to report on a string of bombings that day which had killed nearly 100 people.
- In July 2009, when a story broke about a scandal at the Burr Oak Cemetery in Alsip, Illinois in which cemetery employees were charged with digging up bodies and re-selling grave sites, a WGN(AM) reporter who was working on the story was able to use additional reporting by the *Chicago Tribune* to enhance the radio station's on-air coverage.
- In February 2008, WGN(AM), WGN-TV and *Chicago Tribune* reporters worked together to cover a shooting at Northern Illinois University in DeKalb, Illinois, in which six people were killed. Reporters from each covered different aspects of the shooting to deliver a more complete picture of the day's events as they unfolded.

Notwithstanding these collaborative activities, each of Tribune's Chicago properties exercises independent editorial discretion to make its own assignments and cover any story in the manner it sees fit, as they have throughout Tribune's history. That independence is demonstrated by the reciprocal coverage and criticism each presents. The WGN-TV morning news anchors often discuss and compare the front pages and news coverage of *Chicago Tribune* and its rival *Chicago Sun-Times* and point out when the *Sun-Times* has superior coverage of local, regional, or national stories. WGN(AM)'s overnight program hosts also comment on and critique the day's main stories from numerous local newspapers. WGN(AM)'s hosts do not spare *Chicago*

Tribune's coverage from criticism. During a recent scandal involving the University of Illinois admissions department, WGN(AM) commentators criticized the *Chicago Tribune* for the aggressiveness of the newspaper's coverage, which, the WGN(AM) hosts claimed, did not cease until the paper got the result it wanted – resignation of the school's president.¹¹²

Political Coverage. Enhanced political coverage is an area in which the sharing of information allowed by cross-ownership has proven most beneficial to the viewers and listeners of WGN-TV and WGN(AM). When major political stories affecting Chicago residents break, each broadcast station is able to deliver much greater in-depth coverage through its access to the *Chicago Tribune's* local political beat reporters and columnists, many of whom have years of experience covering local and national political issues, and *Chicago Tribune* writers in bureaus and locations around the world. For example, WGN-TV news anchors frequently interview *Chicago Tribune's* nationally syndicated DC-based columnist Clarence Page and political reporter Rick Pearson to add depth to the television station's political coverage. Mr. Pearson also calls in to WGN(AM) programs several times each week to discuss political issues with the radio program hosts. *Chicago Tribune's* political editor frequently alerts WGN-TV news personnel to major political stories the paper is covering; the television station provides the same information to the newspaper when it learns of new political developments.

¹¹² Since May 2009, WGN-TV also has been party to a Local News Service "LNS" agreement with WFLD(TV), WBBM-TV, and WMAQ-TV, Chicago's Fox, CBS, and NBC O&Os, respectively, under which certain video content is shared among these stations. Each of the four members of the LNS provides two photographers and one assignment desk editor. These individuals continue to be employed and paid by their respective stations, but work solely with the LNS. The LNS also separately employs a managing editor, whose salary is paid by all four member television stations. The LNS makes independent news decisions regarding what events or stories to cover and then makes "pool" video of these events available to all four members. Each individual station decides what, if any, video provided by the LNS it wishes to use. Stations can and do utilize their own reporters to cover stories for which the LNS provides video, and any reporting a member may include with the video is independently produced by the particular station.

WGN-TV viewers and WGN(AM) listeners also benefit from the stations' ability to call on *Chicago Tribune* reporters based at the newspaper's bureau in Springfield, the Illinois state capital, which is located 200 miles to the southwest of Chicago and more than three hours away by car. Neither station has the financial resources to maintain a separate bureau in the state capital; however, because of common ownership with the *Chicago Tribune*, they can readily draw on the research and insight of the paper's Springfield bureau reporters through frequent live and taped on-air reports. Ray Long, chief of the Springfield bureau, often provides on-air reports during the stations' newscasts.

WGN-TV and WGN(AM) also have ready access to additional national beat reporters working at Tribune's Washington, D.C. bureau. In 2009, for example, WGN(AM) produced and aired a special report on Illinois' infamous former Governor Rod Blagojevich. WGN(AM) reporters working on this story drew on the resources of *Chicago Tribune* reporters in Chicago, Springfield, and Washington, D.C. to add significant depth and detail to this special report. On their own, WGN-TV and WGN(AM) would not have been able to provide such coverage, but by combining their resources with those of the *Chicago Tribune*, the stations brought more in-depth information to local audiences.

Common ownership of WGN-TV and *Chicago Tribune* has also allowed each to provide significantly enhanced coverage of local elections and campaigns. Not only does WGN-TV ensure that candidates for major local, state, and federal office are interviewed on its regularly-scheduled news programs, but the television station in recent years has collaborated with the *Chicago Tribune* to conduct joint polling on major political races. While WGN-TV alone would not have had the financial resources to conduct its own polls, the newspaper and television station have been able to conduct improved polling together and deliver that information more

broadly. For example, in the run-up to the general election in November 2008, WGN-TV and *Chicago Tribune* jointly conducted two related polling projects – one focused on national races and issues and the other on Illinois state elections. Earlier this year, WGN-TV and *Chicago Tribune* cooperated to conduct and report on a poll of likely Democratic primary voters prior to the February 2, 2010 primary to select the party’s nominee for Cook County Board President. The polling was provided to WGN(AM), which aired separate reports about its content.

While preserving their independent editorial discretion, editors from the newspaper and assignment editors at the television station discuss the angles each plans to pursue in their election coverage during major campaign seasons. This allows each more effectively to allocate resources in covering various aspects of the campaigns and the votes. *Chicago Tribune* reporters with particular expertise and knowledge on certain races appear frequently on both WGN-TV and WGN(AM) to provide political analysis and insight. While each station executes its reporting independently, both benefit from the ability to collaborate on their political coverage and draw on the resources of the *Chicago Tribune*.

Coverage of the February 2, 2010 primary elections in Chicago to select nominees for federal, state, and local races illustrates how WGN(AM) takes advantage of the benefits of cross-ownership with *Chicago Tribune* while producing independent political reports. WGN(AM)’s election night coverage lasted throughout the evening and featured commentary from *Chicago Tribune* political reporter Rick Pearson, as well as the paper’s Illinois Political Editor James Webb. WGN(AM) also provided election night commentary from Hermene Hartman, publisher of the African American newspaper *N’Digo*, and Roosevelt University professor Paul Green, both of whom had participated in the station’s recent coverage of the President’s State of the Union Address.

On February 2, 2010, WGN-TV worked with CLTV to provide live coverage of election returns starting at 5:00 pm until all the major races were decided, including remote reports from over 14 locations. WGN-TV aired live coverage from 5:00 pm to 6:00 pm and from 9:00 pm until the elections were called early the next morning, while CLTV aired WGN-TV-produced coverage throughout the evening.

During the campaign leading up to the primary, WGN-TV invited all candidates in the major federal, state, and local races (*i.e.*, U.S. Senate, Illinois Governor, and Cook County Board President) to participate in on-air question and answer sessions during the station's *Midday News*. These sessions were designed to let the candidates tell the voters about their positions on important issues. The segments were also posted to the station's website and aired on WGN-TV's early evening news and again during *WGN News at Nine*. Nearly all the candidates who were invited – 27 in all – took advantage of this opportunity to reach WGN-TV's viewers.

The television and radio stations and *Chicago Tribune* each also benefit from the contacts that the others have among politicians and public officials. WGN(AM) frequently serves as a virtual “meeting place” for public officials, who call in to the station's talk shows on a regular basis. Frequent guests on WGN(AM) include Sen. Dick Durbin, other members of the state's Congressional delegation, Illinois state legislators, and Chicago city aldermen. Excerpts of the transcripts of these elected officials' calls to WGN(AM) are frequently used by the *Chicago Tribune* in its print editions and on its website.

The *Chicago Tribune* editorial board meets regularly with local, state, and national newsmakers, community leaders, and other guests. The board provides the television and radio station assignment desks with the schedule of individuals who will be meeting with the board and endeavors to make these individuals available to WGN-TV and WGN(AM) reporters for

interviews. WGN-TV and WGN(AM) representatives do not participate in the editorial decisions of the *Chicago Tribune* editorial board; nor does *Chicago Tribune*'s editorial board participate in the editorial decisions of WGN-TV or WGN(AM).

Weather. By combining their resources and expertise, Tribune's Chicago properties have been able to bring improved local weather information and coverage to area residents. WGN-TV has long been a leader in local television weather reporting. The television station currently employs 13 people in its weather department, including nine professional meteorologists – one of the largest meteorological staffs of any television station in the country – and delivers weather reports and forecasts in all of its regularly scheduled newscasts. In addition, long-time chief meteorologist Tom Skilling delivers weather reports in WGN-TV's midday, evening, and late evening newscasts. In 2008, he and his staff began providing local weather reports for WGN(AM) as well. The radio station now uses Mr. Skilling's locally-produced reports instead of airing information it previously received from the Weather Channel's national service. Mr. Skilling and his staff also prepare *Chicago Tribune*'s daily weather page, a compendium of maps, statistics, analysis of meteorological trends, forecasts, and answers to weather-related questions from readers. This feature is hugely popular with local readers. When the newspaper relocated this page from the back page of the front section to an interior page, the resulting reader outcry convinced *Chicago Tribune* to return the reports to the back page. Each property also includes Mr. Skilling's reports on its websites. Because of their ability to utilize this expert resource, WGN-TV, WGN(AM), and *Chicago Tribune* all deliver locally-produced weather content rather than relying on national services.

Community Service. Tribune's Chicago properties are extensively involved in the local community. Late every summer, for example, WGN-TV hosts a Back To School Fair at its

Bradley Place location, at which experts provide parents with valuable information on many back-to-school issues, such as appropriate school supplies, car seat installation and use, and current health issues affecting students. Medical professionals are also on hand to deliver advice and administer inoculations. WGN-TV organizes, publicizes, and hosts this event. As another example, WGN-TV and WGN(AM) have joined efforts to raise awareness of and funds for the fight against breast cancer. During Breast Cancer Awareness Month in October 2009, WGN-TV aired a locally-produced one-hour special entitled *Stories of Hope: Facing Breast Cancer*. WGN(AM) aired its annual three-hour breast cancer awareness special, “Breast Cancer 2009,” a live town hall meeting that reviewed the current state of research and treatments with some of the nation’s leading medical experts. From April through June of 2009, all of Tribune’s Chicago properties also teamed up to promote *Hunger Knows No Season*, a campaign that produced more than \$300,000 for the Greater Chicago Food Depository.

WGN-TV hosts a weekly one-on-one tutoring program with the Cotter Boys and Girls Club, and employees from all Tribune properties in Chicago have participated as tutors through this program. Through 2008, WGN-TV sponsored the Bozo Ball (called the “60th Anniversary Ball” in 2008). Proceeds from this annual fundraising gala benefited the Off the Street Club, a refuge for youth on Chicago’s West Side. In 2009, the station continued its relationship with the organization by supporting the Club’s “Save Our Summer/Send a Kid to Camp” program. The television station has produced and aired a PSA campaign devoted to improving the lives of foster children with Voices for Illinois Children, an organization devoted to a wide range of

issues related to child development. Station staff also annually volunteer time with Chicago Cares, an annual event held to restore Chicago's public school facilities.¹¹³

WGN(AM) has been extensively involved in a number of community events throughout Chicagoland, as well as fundraising for the station's charity, the WGN Radio Neediest Kids Fund under the umbrella of the McCormick Foundation. (The McCormick Foundation raises funds for grants to numerous non-profit organizations). Originally conceived as a holiday drive in 1969, the Neediest Kids Fund now supports children and youth in Chicagoland year-round by providing funds to childhood hunger prevention and programs that promote staying in school and job preparation and training. Since 1992, the Neediest Kids Fund, through the McCormick Foundation, has granted more than \$17 million to local non-profits. In 2009 alone, the Neediest Kids Fund distributed \$400,000 in grants to 22 non-profit agencies throughout Chicagoland. In addition to the station's support of the Neediest Kids Fund, it is also involved with events throughout the year for the Juvenile Diabetes Research Foundation, the American Lung Association of Greater Chicago, the Greater Chicago Food Depository, the Children's Neuroblastoma Cancer Foundation, Special Olympics Illinois, and Wentworth Elementary in the city's poverty-stricken Englewood neighborhood.¹¹⁴ Recently, WGN(AM) also participated in Chicago Media Live's radio fundraising event to benefit victims of the earthquake in Haiti. This event aired from 5:00 am to 11:00 pm on Thursday, January 21, 2010.

¹¹³ Attachment 2-A hereto includes a more extensive list of WGN-TV's events and outreach activities. Attachment 2-B hereto includes an additional list of representative community organizations to which WGN-TV's on-air personalities donate their energy, ideas, and time.

¹¹⁴ Attachment 2-C hereto includes a list of community service events in which WGN(AM) was involved in 2008 and 2009.

WGN(AM) airs numerous PSAs for causes ranging from violence prevention in Chicago to AIDS research to environmental concerns in Illinois. In 2009, WGN(AM) broadcast 3,150 minutes of PSAs, with a total value of \$315,000 and provided 75,130 minutes of PSAs online, with a total value of \$751,300.

Awards. The superior news and public service delivered by WGN-TV and WGN(AM) have also been recognized by community groups and journalism organizations. In the past three years, for example, the Rainbow-Push Coalition conferred a Media Trailblazer Award on WGN-TV producer Pam Grimes for her outstanding coverage of Chicago's African-American community over the last two decades and an Excellence in Media Award on News Director Greg Caputo. Mr. Caputo also received a Dante Award for Excellence in Media from the Joint Civic Committee of Italian-Americans. Other recent awards received by WGN-TV for its news coverage have included the following:

- In 2009, WGN-TV won six local Emmy awards, including two awards for On air Excellence, which went to WGN-TV news anchor Larry Potash and reporter Marcus Leshock; awards for Best Specialty Reports in the categories of Culture and Traffic; and awards for Best Soft News Feature and Best Off-Camera Directing.
- Multiple Excellence in Media Awards from the National Association of Black Journalists, including most recently a 2009 General Assignment News Award for a report titled "The 'N' Word" by reporter Antwan Lewis;
- Regional Emmys from the National Association of Television Arts and Sciences, including two 2008 awards for specialty reports in science and the arts;
- Peter Lisagor Awards for Exemplary Journalism from the Chicago Headline Club (Society of Professional Journalists), including a 2008 award for Best In-Depth News Story;
- Silver Dome Awards from the Illinois Broadcasters Association, including 2009 awards for Best TV Anchor and Best Use of Interaction Media and 2008 awards for Best Late Evening Newscast, Best Live Coverage, Best Weathercast, Best Editorial, and Best Use of Interactive Media; and

- Illinois Associated Press Broadcasters' Awards, including an award for Best Newscast in 2007.

WGN(AM) has also received numerous recent awards, including the following:

- National Association of Broadcasters Marconi Awards for Best News/Talk/Sports station in the country in 2009 and 2004; Major Market Station of the Year in 2007, 2002, and 1993; and Legendary Station in 1990.
- 2009 Silver Dome Awards from the Illinois Broadcasters Association for Station of the Year, Best Local Radio Newscast, Best Local Public Affairs Program, Best Sports Play-By-Play, and Best Use of New Media;
- 2007, 2008, and 2009 Edward R. Murrow Awards from the Radio and Television News Directors Association, including a 2008 award for Overall Excellence for WGN Radio News; and
- Illinois Associated Press Awards for Best Series, Best Reporter, and Best Investigative Series.¹¹⁵

2. Common Ownership Is Necessary To Allow These Benefits To Continue.

As the FCC recognized in 2003 in the course of deciding to repeal the absolute ban on newspaper/broadcast cross-ownership, “[t]he benefits of combined ownership are not likely to be achieved through joint ventures as opposed to combined ownership.”¹¹⁶ This is true of the benefits delivered by Tribune’s Chicago properties that are described above, benefits that would be jeopardized if common ownership could not be continued. Indeed, it is highly unlikely that WGN-TV, WGN(AM), or *Chicago Tribune* would be able to deliver nearly as much local news as they do absent cross-ownership.

The Commission’s conclusion that combined ownership is required to achieve such efficiencies was based on economic analysis, empirical studies, and facts contained in the record.

¹¹⁵ Attachments 2-D and 2-E hereto include more extensive lists of awards received by WGN-TV and WGN(AM).

¹¹⁶ *2003 Order*, 18 FCC Rcd at 13,755-56 (¶ 346) (citing Gannett Comments in MM Docket No. 01-235, Exhibit C (Dec. 3, 2001), Besen and O’Brien, *An Economic Analysis of the Efficiency Benefits from Newspaper/Broadcast Station Cross-Ownership* (“Besen/O’Brien Study”)).

Noting the results of one study, the FCC explained the basis for its finding: “[J]oint ventures confront three classes of issues that hinder their ability to achieve efficient joint production: (1) the costs of reaching the agreement; (2) incentives to withhold private information; and (3) incentives to take actions that are not in the best interests of the joint venture.”¹¹⁷ Another study in the record noted that full convergence, in which news and other informational content expands and improves, is “extraordinarily difficult to achieve without common ownership” due in part to the need for a comprehensive set of organizational talents and abilities and forceful leadership, elements that are not often present in a joint venture.¹¹⁸

On the other hand, the study that the FCC cited showed that “joint ownership mitigates these possible hindrances.”¹¹⁹ First, agreement on the parameters of production is reached without significant cost because common ownership reduces the possibility of disputes and any such disputes can be more easily resolved within a single company.¹²⁰ Second, information withholding is reduced or eliminated because it is easier for key decision-makers to obtain the information that they need, senior management can freely monitor the activities of participating divisions, and a central authority figure can, if necessary, specify what information should be shared.¹²¹ Third, while the task of specifying in a joint venture agreement all of the actions that each party will take can be expensive and potentially impossible due to the degree of complexity

¹¹⁷ *Id.*

¹¹⁸ *See Statement of Professor James K. Gentry, Ph.D.*, at 10-12, attached as Appendix 4 to Comments of Media General, Inc. in MM Docket No. 01-235 (Dec. 3, 2001) (pages are unnumbered; page 1 begins immediately after the “Summary”).

¹¹⁹ *2003 Order*, 18 FCC Rcd at 13,755-56 (¶ 346) (citing Besen/O’Brien Study).

¹²⁰ Besen/O’Brien Study at 20.

¹²¹ *Id.*

and foresight involved, “shirking” does not arise in cross-ownerships because of the ease with which a central authority can monitor the actions performed by each element of the enterprise.¹²²

Accordingly, continued common ownership with the *Chicago Tribune* is critical to sustaining the high-quality news and public service programming that has been provided by WGN-TV and WGN(AM) for more than six decades, and a waiver is fully justified to achieve that goal.

B. The Chicago Market Is Remarkably Diverse And Competitive.

Chicago is the third-largest DMA in the country, with more than 3.5 million television homes.¹²³ As shown in detail below, the Chicago media market is diverse and competitive, and many of the country’s major media companies own media properties in the market. Tribune’s media properties are venerable institutions in Chicago – the *Chicago Tribune*, WGN(AM), and WGN-TV are household names throughout the local community. WGN-TV, which is not affiliated with one of the Big-four television networks, is ranked fourth in a tie with WFLD-TV, based on share (9 am-midnight), among its strong group of competitors (many of which are network-owned);¹²⁴ WGN(AM) ranks third, based on audience share, among a similarly strong group of competitors (many of which are part of multi-station clusters);¹²⁵ and *Chicago Tribune* faces strong competition from the *Chicago Sun-Times* and other daily newspapers in the

¹²² *Id.* at 21.

¹²³ TVB Research Central, Market Track, *US TV Households by Market*, http://www.tvb.org/rcentral/markettrack/us_hh_by_dma.asp (last visited Jan. 28, 2010) (based on Nielsen Media Research, Inc., Nielsen Station Index (NSI), estimates for the 2009-2010 television season effective September 21, 2009).

¹²⁴ *See* Chicago DMA TV Stations and Audience Ratings and Share (Attachment 3 hereto).

¹²⁵ Ranking is based on Arbitron PPM audience share for winter 2009 for the Chicago, IL FCC Geographic Market, obtained from the BIA/Kelsey Media Access ProTM database as of February 3, 2010.

market.¹²⁶ In total, the Chicago DMA has 16 commercial and non-commercial television stations owned by 13 separate owners, 166 commercial and non-commercial radio stations owned by 90 separate owners, and 24 daily newspapers published by 12 different publishers.¹²⁷

Moreover, these numerous traditional media outlets provide news, information and entertainment and seek advertisers in a market that has been revolutionized by widespread access to the Internet and other new media. Broadband, with its exponentially higher speeds, enables interactive uses of the Internet that have transformed the way that people obtain news and information and has made Internet news sources even more powerful forces in the contemporary media marketplace than they were just a few short years ago. In fact, a very recent study by Arbitron and Edison Research found that, for the first time, more people rated the Internet as the media platform that is “most essential” to their lives than any of the traditional media, with 42% choosing the Internet, 37% choosing television, 14% choosing radio, and just five percent choosing newspapers.¹²⁸ And now, Americans have access to text and video content while on-the-go through multiple mobile video platforms, with more, including mobile digital television,

¹²⁶ Recently, a unique news competitor has emerged in the Chicago market, one that represents collaborative efforts among different services. In October 2009, the Chicago News Cooperative, a non-profit organization headed by former print journalists, began providing on-line content “focused on Chicago, its politics and policy, culture and the arts, and the diverse communities of the metropolitan area.” See Chicago News Cooperative, *About Us*, Nov. 18, 2009, <http://www.chicagonewscoop.org/about-us/printpage/> (last visited Feb. 16, 2010). Funded by the John D. and Catherine T. MacArthur Foundation, it works in partnership with WTTW, Channel 11, Chicago’s public television station, and it publishes its content not only on-line but in *The New York Times*, as entire page inserts, on Fridays and Saturdays, in *The Times*’ recently-launched Chicago edition. *Id.*

¹²⁷ See generally Mark R. Fratrick, Ph. D., BIA Financial Network, *Report on the Chicago, IL Media Market: Media Diversity, Revenue Share, and Concentration Analysis in Support of the Request for Cross-Ownership Waiver for Stations WGN-TV and WGN(AM)*, at 20-21 (Feb. 26, 2010) (“BIA Report”) (Attachment 4 hereto).

¹²⁸ See Arbitron, Inc. and Edison Research, *The Infinite Dial 2010: Digital Platforms and the Future of Radio*, at 11 (Apr. 2010), available at http://www.arbitron.com/study/digital_radio_study.asp (last visited Apr. 17, 2010).

on the horizon. More than ever before, consumers control their access to news, information and entertainment, and Tribune's traditional media properties in Chicago are just three of thousands of local outlets competing for their attention. The combination of WGN-TV, WGN(AM), and the *Chicago Tribune* has had and will have no significant adverse impact on the incredible diversity of media outlets available in the market, as these marketplace facts show. Economic analysis further reflects decreasing concentration levels, thus evidencing that the Chicago market has remained, and will remain, vibrantly competitive notwithstanding Reorganized Tribune's continued common ownership of WGN-TV, WGN(AM), and the *Chicago Tribune*.

1. Many "Traditional" Media Sources Serve The Chicago Market.

a. Television Stations.

The abundance of television stations in the Chicago DMA alone supports a waiver permitting continued common ownership of WGN-TV, WGN(AM), and the *Chicago Tribune*. WGN-TV, an affiliate of the CW Network, is one of 16 broadcast television stations in Chicago, six more than the 10 that were available to local viewers in 1975 when the cross-ownership rule was adopted.¹²⁹ Those 16 stations are owned by 13 separate owners.¹³⁰ The Big-four networks all own stations in Chicago, and both Fox and NBC own duopolies. As in other markets, broadcast television ratings in Chicago are generally in decline, a trend that is hardly surprising in light of the emergence of multiple new media outlets since 1975, and even within the current decade. A chart showing these declines is appended hereto as Attachment 3.¹³¹

¹²⁹ See BIA Report, at 20-21; *id.* at Appendix B-1; *see also* Attachment 3.

¹³⁰ See BIA Report, at 20-21; *id.* at Appendix B-1.

¹³¹ See Attachment 3.

The Chicago television market has grown increasingly diverse and competitive since 1975, notwithstanding Tribune's common ownership of the *Chicago Tribune*, WGN(AM), and WGN-TV throughout that period. A review of the declining audience shares for broadcast television stations in Chicago demonstrates that diversity and competition are robust, and have increased over time:

- In 1975, the top four stations (WMAQ-TV, WBBM-TV, WLS-TV, and WGN-TV) together had an audience share of 89. By May 2001, that share had declined by more than half to 43.2. By May 2009, the collective share of these stations was a mere 29.9, and WGN-TV's share had decreased to 5.6. In November 2009, the collective share of the top four stations (WLS-TV, WBBM-TV, WMAQ-TV, and WLFD) was 33.8, and that of WGN-TV was only 4.5.¹³²
- In 1975, the largest share earned by a television station was 26 (WMAQ-TV); by May 2001, the largest share was just 15.4 (WLS-TV). In May 2009, the largest share earned by a station was even lower at 12.5 (WLS-TV), and in November 2009 its share was up only slightly to 12.8 (WLS-TV).¹³³

Audience share data also demonstrate that the once-dominant stations have experienced significant declines. In fact, fewer and fewer stations are earning shares of 10 or above. By May 2009, only one station earned more than a 10 share (a situation which endured through November 2009), compared to two stations in May 2001 and four stations in 1975.¹³⁴ These data demonstrate that Tribune's common ownership of media properties has not hindered, and will not harm in the future, the growth of diversity and competition in Chicago, where a large number of alternative outlets are available.

While audience shares for the once-dominant stations have declined steadily over time, the amount of local news programming produced in the market has increased. As reflected in the

¹³² *See id.*

¹³³ *See id.*

¹³⁴ *See id.*

table appended hereto as Attachment 1, seven stations in the Chicago DMA together broadcast approximately 175 hours of local news programming each week, an increase of 15 hours over the 160 hours per week in 2001. WGN-TV has dramatically increased the amount of news programming it provides, despite the loss of audience share to other stations and non-broadcast news providers, and has been able to do so in part due to the synergies and efficiencies of common ownership. Competition for the Chicago news-viewing audience is robust, with the highest-rated evening newscast in May and November of 2009 earning a 6.4 rating (down from 20 in 1975 and 14.2 in May 2001).¹³⁵ These facts and trends show that while audience ratings for broadcast television have declined, the delivery of news in the Chicago market is more plentiful and competition is more intense than ever.

In addition to the full-power television stations serving the DMA, there are 27 multicast programming streams available in the market.¹³⁶ Broadcasters are embracing the opportunity to bring additional programming options to viewers using these digital multicast channels.¹³⁷ Now, in addition to the programming offered on its main channel, a broadcaster can divide its remaining spectrum into one or more subchannels and program these channels to serve the different needs of its viewing audience. Some stations are offering hyper-local news and information, 24/7 weather, or live traffic information.¹³⁸ Still other stations are providing

¹³⁵ See Attachment 1.

¹³⁶ See BIA Report, at 21 n.28; *id.* at Appendix B-2.

¹³⁷ See RabbitEars.Info, http://www.rabbitears.info/search.php?request=network_list (last visited Feb. 8, 2010) (listing almost 200 programming options for digital subchannels).

¹³⁸ See 360north.org, www.360north.org (last visited Feb. 8, 2010) (providing Alaska news and information); The Ohio Channel, <http://www.ohiochannel.org/> (last visited Feb. 8, 2010) (providing coverage of state political events); Accuweather Partners, <http://www.accuweather.com/promo-ad.asp?partner=accuweather&traveler=0&dir=aw&page=lawc> (last visited Feb. 8, 2010)

programming options to serve the needs and interests of niche markets within their viewing audience, such as multi-lingual news, children’s programming, religious programming, local sports programming, or classic movies and television shows.¹³⁹

There are also 10 Class A television stations owned by six separate owners in the Chicago DMA.¹⁴⁰ Each of these Class A stations is required to broadcast an average of at least three hours per week of locally produced programming every quarter.¹⁴¹ And, there are six non-Class A low power television stations owned by five separate owners.¹⁴² In total, the Chicago DMA has 16 Class A and LPTV stations, owned by 11 separate owners.¹⁴³ Some of these outlets

(providing list of stations carrying local weather information on multicast channels); *see also* http://www.rabbitears.info/search.php?request=network_search&network=Traffic+Cameras (last visited Feb. 8, 2010) (list of stations with live traffic camera feed offered on a subchannel).

¹³⁹ For example, stations around the country offer LATV network programming on digital subchannels. The network offers bilingual programming targeted toward the younger Hispanic market. *See* www.LATV.com (last visited Feb. 8, 2010). The new Estrella TV network, which offers musical-variety, comedy, scripted drama, talk and game shows in Spanish and features top talent from the United States, Mexico and Latin America, is also broadcast on a number of digital multicast streams. *See* Liberman Broadcasting, Inc., *Estrella TV Makes Its Nationwide Debut*, Sept. 14, 2009, available at http://www.lbimedia.com/Media/PressReleases/20090914_EstrellaTvLaunch.pdf (last visited Feb. 9, 2010). Other stations are similarly using their digital multicast streams to broadcast a diverse range of programming. *See, e.g.*, Arirang – Korea’s Global TV, <http://www.arirang.co.kr/> (last visited Feb. 8, 2010) (offering news and information programming from Korea); The Church Channel, www.churchchannel.org (last visited Feb. 8, 2010) (offering religious programming); FamilyNet.com, <http://www.familynet.com/about/> (last visited Feb. 8, 2010) (dedicated to providing responsible, relevant, and entertaining viewing choices for today’s diverse family); Qubo Network (ION), www.qubo.com (last visited Feb. 8, 2010) (providing programming with “positive messages that promote literacy, reinforce timeless values, and convey relatable life lessons”); The Wazoo Sports Network, <http://www.wazoosports.com/programming/channelguide.html> (last visited Feb. 8, 2010) (original Kentucky sports programming, including high school, NCAA, NAIA, and youth sports); This TV, www.thisTV.com (last visited Feb. 8, 2010) (offering movies and classic television shows).

¹⁴⁰ *See* BIA Report, at 21; *id.* at Appendix C.

¹⁴¹ 47 C.F.R. § 73.6001(b)(2).

¹⁴² *See* BIA Report, at 21; *id.* at Appendix C.

¹⁴³ *See id.*

earn measurable ratings.¹⁴⁴ The Class A and LPTV stations provide additional potential sources of local news and information for viewers.

b. Multichannel Video Programming Distributors (“MVPDs”).

As of November 2009, cable penetration in the Chicago DMA was 62.4%, 26.6% of the households in the DMA subscribed to alternative MVPDs (including direct broadcast satellite (“DBS”)), and total MVPD penetration was approximately 88%.¹⁴⁵ In November 2001, by contrast, total MVPD penetration was lower at 74.7%, with cable penetration of 69% and alternative MVPD penetration of only 6.2%.¹⁴⁶ Comcast is by far the dominant MVPD in the market, and it sells advertising in vigorous competition with all local television stations. As of 2005, cable systems and other MVPDs throughout the nation offered an average of more than 230 channels,¹⁴⁷ a number that has increased substantially since then and to which must be added hundreds and, on some systems, thousands, more programming choices available on-demand.¹⁴⁸

¹⁴⁴ For example, Nielsen November 2009 data indicate that Class A stations WWME-CA and WMEU-CA earned shares of 0.8 and 1.1, respectively, and low power television station WCHU-LP earned a 0.1 share.

¹⁴⁵ See TVB Research Central, Market Track, *Cable and ADS Penetration by DMA: Chicago, IL*, http://www.tvb.org/nav/build_frameset.asp?url=/rcentral/index.asp (last visited Feb. 10, 2010) (based on Nielsen Media Research, DMA Household Universe Estimates) (click on “Research Central” then “Market Track” then “Cable and ADS Penetration by DMA” and then “Chicago”). Total MVPD penetration values may differ from the sum of cable and alternative penetration values because Nielsen includes households subscribing to both in each category.

¹⁴⁶ See *id.*

¹⁴⁷ *Annual Assessment of the Status of Competition in the Market for Delivery of Video Programming*, Thirteenth Annual Report, 24 FCC Rcd 542, 561-62 (¶ 44) & Table 4 (2009) (“13th Annual Video Competition Report”) (230.6 is the average of the number of cable channels offered by systems facing effective competition (234.9) and those not (226.3)). The 2005 data are the most recent that have been publicly reported by the FCC.

¹⁴⁸ See, e.g., Comcast Corporation, *Digital Cable Service With On Demand from Comcast*, <http://www.comcast.com/Corporate/Learn/DigitalCable/digitalcable.html> (last visited Feb. 20, 2010) (indicating that its systems offer 17,000 on demand choices); Time Warner Cable, *On Demand*, <http://www.twondemand.com/> (last visited Feb. 10, 2010) (providing on-demand listings for Time Warner); Cablevision, Optimum, iO TV, On Demand,

In comparison, as of 2000, only a minute proportion (0.15%) of cable systems offered consumers 125 or more channels, while the majority of systems (more than 62%) offered only 30-53 channels.¹⁴⁹ Consumers also now may choose from among multiple options for MVPD service including cable systems, two DBS operators and, in many areas, a telephone company providing video service.¹⁵⁰ These competing MVPD services provide varying channel line-ups. Furthermore, in addition to the expansive line-ups of non-broadcast programming offered by these MVPDs, both DirecTV and DISH Network offer local-into-local service to their subscribers in the Chicago DMA.¹⁵¹ Telephone companies' video services also offer access to local broadcast stations.¹⁵²

The hundreds of channels available through MVPDs include not only local broadcast stations and cable entertainment channels, but also numerous networks focused on providing

http://www.optimum.com/io/on_demand/index.jsp (last visited Feb. 10, 2010) (providing on-demand listings for Cablevision); Charter On Demand - Frequently Asked Questions, <http://www.charter.com/customers/support.aspx?SupportArticleID=14> (last visited Feb. 10, 2010) (stating that "Charter On Demand allows you to enjoy thousands of shows and movies whenever you want – many are FREE with hundreds available in High Definition"); Cox On Demand, <http://www.cox.com/digitalcable/ondemand/default.asp> (last visited Feb. 10, 2010) (providing on demand listings for Cox).

¹⁴⁹ *Annual Assessment of the Status of Competition in the Market for Delivery of Video Programming*, Seventh Annual Report, 16 FCC Rcd 6005, 6103 (Table B-3) (2001).

¹⁵⁰ *See, e.g.*, Verizon, FiOS TV, About FiOS, <http://www22.verizon.com/Residential/FiOSTV/Details/Details.htm> (last visited Feb. 10, 2010); AT&T, U-verse, What is AT&T U-verse?, AT&T U-Verse TV, <http://www.att.com/u-verse/> (last visited Feb. 10, 2010) (click on "Television" under "Explore" on right-hand side).

¹⁵¹ *See* DirecTV, The Guide, <http://www.directv.com/DTVAPP/epg/theGuide.jsp> (last visited Feb. 10, 2010) (click on "Missing Local Channels?" on top right of guide; enter local zip code to view local channels); DISH Network, Programming, <https://customersupport.dishnetwork.com/customernetqual/prepAddress.do> (last visited Feb. 10, 2010) (click on "Click here for a complete list of Available local markets" for a list of markets where local programming is available). Full listings of the channels offered by DirecTV and DISH Network in Chicago are appended hereto as Attachment 5.

¹⁵² *See supra* note 150.

news and information. In Chicago, in addition to national cable news networks such as CNN, MSNBC, and FOX News, multiple local cable networks offer programming of particular interest to local residents. These include the following:

- CLTV, Tribune's local cable news channel;
- Cable 25, a commercial local origination channel run by the City of Chicago;
- MUTV, the City of Chicago's municipal television channel;
- Five public access channels administered by CAN TV which air programming focused on public affairs, community events coverage, religious and spiritual programs, an interactive community bulletin board, and a video magazine providing information on community services;
- Naperville Community Television, a cable channel focused on issues of specific concern to the Naperville suburb of Chicago;
- Comcast Network 100 Chicago, which offers four locally-produced programs; and
- Comcast SportsNet Chicago, which provides extensive local and regional sports coverage, including professional baseball, basketball, and hockey games and college sports.¹⁵³

In addition to presenting ever-expanding program offerings, cable channels have increasingly taken audience share from broadcasters. For example, in Chicago:¹⁵⁴

- Seven cable channels earn a share of 2 or greater, up from the six reported in 2007. TNT (3.3), Comcast SportsNet Chicago (2.6), the Disney Channel (2.5), Nickelodeon (2.5), USA Network (2.5), Fox News Channel (2.2) and ESPN (2.1) all have shares that exceed eight full-power broadcast stations in Chicago, up from the seven reported in 2007.
- Twenty-five cable channels earn at least a 1 share of the household audience in Chicago, up from the twenty-four identified in 2007. These channels include

¹⁵³ Additional information regarding the local cable channels available in the Chicago DMA is reflected in Attachment 6 hereto.

¹⁵⁴ The discussion below is based on 9 am-midnight shares during the May 2009 sweeps period, as reported by Nielsen.

TBS, HGTV, the History Channel, MSNBC, FX, Lifetime, BET, CNN, Comedy Central, Discovery Channel, and Cartoon Network.

The diversity of viewpoint and programming options available to consumers has been increased significantly by the extensive MVPD penetration in the market and the multiple viewing options that MVPDs provide. At the same time, local audience share data demonstrate that MVPDs have significantly reduced the market shares of local broadcast voices, both individually and collectively.

c. Print Media.¹⁵⁵

The Chicago newspaper market also features intense competition, including 24 daily newspapers and 172 weekly newspapers in Chicago and the surrounding suburbs. In addition, on November 20, 2009, The New York Times Company launched a Chicago edition of its newspaper, which includes local and regional news produced, as noted above, by the Chicago News Cooperative.¹⁵⁶ As is the case in many other markets and despite substantial population growth, the combined circulation of daily newspapers in Chicago has declined since 1975, and

¹⁵⁵ Circulation data included in this section were obtained from several sources. The 2009 daily circulation figures for *The Daily Journal* and the *News-Tribune* were obtained from the BIA/Kelsey Media Access Pro™ Database, Chicago, IL Market Newspaper Overview, and reflect BIAfn Estimated Current Circulation values for daily circulation reported therein as of February 3, 2010. The 2009 daily circulation data for all other daily newspapers discussed in this section are based on information from the Audit Bureau of Circulations for the six-month period ending March 29, 2009 and are current as of October 3, 2009. The 2009 daily circulation figures for the *Chicago Tribune*, *Chicago Sun-Times*, *Daily Herald*, *The Times* (Munster, IL), *Post-Tribune*, *The SouthtownStar*, *The Herald News*, *The Beacon News*, *Lake County News-Sun*, *Naperville Sun*, *The Courier News*, and *Kane County Chronicle* represent Monday – Friday (5 Day) circulation averages. The 2009 daily circulation figures for the *Northwest Herald* and *The Times* (Ottawa, IL) represent Monday – Saturday (6 Day) circulation averages. Circulation data for the weekly newspapers discussed in this section were obtained from the BIA/Kelsey Media Access Pro™ Database, Chicago, IL Market Newspaper Overview, and reflect BIAfn Estimated Current Circulation values for total circulation reported therein as of February 4, 2010.

¹⁵⁶ See *supra* note 126; see also Richard Pérez-Peña, *The Times to Begin Chicago Edition on Friday*, N.Y. TIMES (Nov. 19, 2009), available at <http://mediadecoder.blogs.nytimes.com/2009/11/19/the-chicago-edition-of-the-new-york-times-to-begin-friday/> (last visited Feb. 16, 2010).

has fallen precipitously again since 2001. Still, the competition between the *Chicago Tribune* and *Sun-Times* in Chicago remains legendary, and the *Daily Herald* also attracts significant readership. The circulation figures for the top daily newspapers are as follows:

Top Daily Newspapers	1975 Circulation	2001 Circulation	2009 Circulation
<i>Chicago Tribune</i>	806,083	675,847	501,202
<i>Chicago Sun-Times</i>	567,780	480,920	312,141
<i>Daily Herald</i>	11,717	148,375	130,404
Combined Circulation	1,385,580	1,305,142	947,643

Daily circulation at the *Chicago Tribune* is down 25.8% since 2001 and 37.8% since 1975.

Combined circulation at the top two newspapers declined 29.7% since 2001 and 40.8% since 1975. Notwithstanding their respective circulation declines, *Chicago Tribune* and *Chicago Sun-Times* compete vigorously with each other. Moreover, in addition to these two dailies, 22 other daily newspapers serve the Chicago DMA, with at least 10 additional publishers represented in the market.¹⁵⁷ These newspapers include:

- The *Daily Herald*, with a daily circulation of 130,404; *The Times* (Munster, IL), with a daily circulation of 85,297; and the *Post-Tribune*, with a circulation of 55,767.
- Eleven newspapers with daily circulations between 10,000 and 50,000, including *The SouthtownStar* (39,233), *The Herald News* (37,355), the *Northwest Herald* (34,763), *The Daily Journal* (28,600), *The Beacon News* (26,808), the *News-Tribune* (17,400), the *Lake County News-Sun* (16,814), *The Times* (Ottawa, IL) (16,311), the *Naperville Sun* (15,509), *The Courier-News* (11,133), and the *Kane County Chronicle* (11,032).

In addition, a large array of weekly newspapers contributes to the diversity and competition in Chicago's newspaper market.¹⁵⁸ At least 172 weekly newspapers published by 50

¹⁵⁷ See BIA Report, at 21; *id.* at Appendix D.

¹⁵⁸ See *id.* This chart notes the weekly newspapers that Tribune owns.

different owners are currently distributed in the DMA.¹⁵⁹ One of the leaders in the weekly newspaper arena is GateHouse Media, Inc., which publishes more than 15 weekly papers in the communities around Chicago.¹⁶⁰ Another strong competitor, publishing more than 20 weekly papers in the area, is Pioneer Press, a member of Sun-Times Media, the publisher of the *Chicago Sun-Times*.¹⁶¹ Many weekly newspapers in the market have substantial circulations, including, for example, *The Lincoln-Way Sun* (210,570), *Crain's Chicago Business* (50,100), *The Bartlett Examiner* (46,000), *The Coal City Courant* (42,000), *Chicago's Northwest Side Press* (40,000), and *The Enterprise* (37,100).

In addition to these daily and weekly newspapers, there is a wide variety of other print media that deliver local information to Chicagoans. These include 65 specialty newspapers serving diverse interests, 27 shopper publications, 14 college newspapers, and 49 local magazines.¹⁶²

d. *AM, FM, And Satellite Radio Service.*

The Chicago DMA includes 166 commercial and non-commercial AM and FM radio stations, owned by 90 separate entities.¹⁶³ Of those, 32 radio stations, operated by 25 different broadcasters, offer varied formats that focus on news, talk, sports, and information, while 27 radio stations, operated by 20 different broadcasters, offer formats that focus on education and

¹⁵⁹ *See id.*

¹⁶⁰ *See id.* at Appendix D.

¹⁶¹ *See id.*

¹⁶² *See id.* at 21; *id.* at Appendix D. Several of these publications are owned by Tribune.

¹⁶³ *See BIA Report*, at 21; *id.* at Appendix E-1. In the more limited radio geographic market as defined by the local radio ownership rule as revised in the *2003 Order*, there are 134 radio stations owned by 76 different owners. *See id.* at 21.

religion.¹⁶⁴ Thirteen stations operated by seven different broadcasters offer Spanish-language or other ethnic formats.¹⁶⁵ In addition, 92 stations offer a variety of music formats, and one station offers a children's format.¹⁶⁶ Moreover, the market's radio broadcasters are offering programming on 23 HD multicast streams.¹⁶⁷ There are an additional six independently owned low power FM stations, each of which by definition must be locally owned by an entity that does not hold attributable interests in any other media.¹⁶⁸ Finally, in addition to terrestrial radio, XM Sirius offers satellite radio programming on a subscription basis to Chicago residents, with more than 200 channels, including numerous talk and information channels, multiple local traffic and weather channels, and many music channels.¹⁶⁹

2. Chicago Residents Enjoy Access To A Plethora Of New Media Sources.

a. *The Internet Has Changed The Way People Access News And Information.*

In recent years, the availability of Internet access, and of high-speed Internet access in particular, have grown tremendously, allowing the Internet to overtake newspapers and achieve a position on par with television as Americans' primary source of news and information.¹⁷⁰ The

¹⁶⁴ See *id.* at Appendix E-1.

¹⁶⁵ See *id.*

¹⁶⁶ See *id.*

¹⁶⁷ See *id.* at 21 n.29; *id.* at Appendix E-2.

¹⁶⁸ See *id.* at 21; *id.* at Appendix F; 47 C.F.R. §§ 73.853(b), 73.860.

¹⁶⁹ See XM-Sirius Channel Lineup (Attachment 7 hereto).

¹⁷⁰ Pew Research Center for the People & the Press, *Internet Overtakes Newspapers As News Outlet*, at 1 (Dec. 23, 2008) ("Internet Overtakes Newspapers"), <http://people-press.org/reports/pdf/479.pdf> (last visited Feb. 5, 2010); see also Pew Internet & American Life Project, *Understanding the Participatory News Consumer* (Mar. 1, 2010) ("Participatory News Consumer"), at 3, available at

Internet has become pervasive, with 74% of Americans having Internet access in their homes,¹⁷¹ up from 60% in 2001.¹⁷² As Internet access has become more widespread, the amount of time Americans spend using the Internet has continued to increase, rising from 14 hours per week in 2006 to more than 17 hours as of January 2009.¹⁷³ These increases in Internet use extend across all racial and ethnic categories, as a recent study conducted by the Joint Center for Political and Economic Studies found.¹⁷⁴

More and more consumers now purchase *high-speed* Internet access in particular.

According to the FCC's recent OBI Working Paper No. 1, a survey conducted in October and November 2009 revealed that 67% of U.S. households have broadband connectivity and that

http://www.pewinternet.org/~media/Files/Reports/2010/PIP_Understanding_the_Participatory_News_Consumer.pdf (last visited Mar. 3, 2010).

¹⁷¹ John B. Horrigan, *Broadband Adoption and Use in America*, Omnibus Broadband Initiative ("OBI") Working Paper Series No. 1 (Feb. 2010), at 3 (finding that 74% of Americans have Internet access at home) ("OBI Working Paper No. 1"), available at http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-296442A1.pdf (last visited Mar. 8, 2010). The National Telecommunications and Information Administration ("NTIA") reports a slightly lower figure, finding that 68.7% of households now have access to the Internet. U.S. Department of Commerce, National Telecommunications and Information Administration, *Digital Nation: 21st Century America's Progress Toward Universal Broadband Internet Access, An NTIA Research Preview* (Feb. 2010), at 4 ("Digital Nation"), available at http://www.ntia.doc.gov/reports/2010/NTIA_internet_use_report_Feb2010.pdf (last visited Mar. 8, 2010).

¹⁷² The Nielsen Company, *Internet Penetration Reaches 60 Percent in the U.S. According to Nielsen/NetRatings* (Feb. 28, 2001), http://www.nielsen-online.com/pr/pr_010228.pdf (last visited Feb. 5, 2010). More Americans have home Internet connections than subscribe to cable television. *13th Annual Video Competition Report*, 24 FCC Rcd at 627 (¶ 178) (reporting that 68.2% of Americans have cable television).

¹⁷³ *PEJ 2009 State of the News Media Report*, Online, Audience, at 15, http://www.stateofthemediamedia.org/2009/printable_online_chapter.htm (last visited Feb. 5, 2010) (citing *The Digital Future Report 2009*, Center for Digital Future, University of Southern California, Annenberg School Survey).

¹⁷⁴ Joint Center for Political and Economic Studies, *National Minority Broadband Adoption: Comparative Trends in Adoption, Acceptance and Use*, at 1, 8-9 (Feb. 2010), available at http://www.jointcenter.org/publications_recent_publications/media_and_technology/national_minority_broadband_adoption (last visited Mar. 5, 2010) ("Minority Broadband Adoption").

65% of adults use broadband at home.¹⁷⁵ This represents a substantial increase from prior years; the Pew Internet & American Life Project previously had found that home broadband adoption stood at only 3% of Americans in June 2000¹⁷⁶ and had risen to 55% of Americans in May 2008.¹⁷⁷ The Minority Broadband Adoption report found that racial disparities in broadband adoption continue to narrow and that minorities are among the fastest-growing groups of home broadband subscribers.¹⁷⁸

To encourage further expansion of broadband access, Congress last year specifically directed the FCC to submit a report detailing a national broadband plan which “shall seek to ensure that all people of the United States have access to broadband capability and shall establish benchmarks for meeting that goal.”¹⁷⁹ And, further expanding and improving broadband access has always been one of the Obama Administration’s, and thus the FCC’s, primary policy objectives. Indeed, Chairman Genachowski listed “[p]romoting universal broadband that’s

¹⁷⁵ See OBI Working Paper No. 1, at 13. Another study found that home broadband adoption had increased to 60% of Americans by December 2009. Lee Rainie, *Internet, Broadband, and Cell Phone Statistics*, at 3 (Jan. 5, 2010), http://www.pewinternet.org/~media/Files/Reports/2010/PIP_December09_update.pdf (last visited Feb. 4, 2010).

¹⁷⁶ John B. Horrigan, *The Broadband Difference: How Online Americans’ Behavior Changes With High-Speed Internet Connections at Home*, at 9 (June 23, 2002) (“The Broadband Difference 2002”), http://pewinternet.org/~media/Files/Reports/2002/PIP_Broadband_Report.pdf.pdf (last visited Feb. 5, 2010).

¹⁷⁷ John B. Horrigan, *Home Broadband Adoption 2009*, at 3, 9 (June 17, 2009) (“Home Broadband Adoption 2009”), <http://www.pewinternet.org/~media/Files/Reports/2009/Home-Broadband-Adoption-2009.pdf> (last visited Feb. 4, 2010). These growth figures are supported by those reported by NTIA, which reflect that in August 2000, 4.4% of households had broadband access; by October 2007, that number had grown to 50.8%; and that in October 2009, the household broadband adoption rate stood at 63.5%. *Digital Nation*, at 4.

¹⁷⁸ *Minority Broadband Adoption*, at 1, 14-15.

¹⁷⁹ See American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, § 6001(k)(2)(D), 123 Stat. 115 (2009), codified at 47 U.S.C. § 1305(k).

robust, affordable and open” as *first* in a set of goals for the Commission under his leadership,¹⁸⁰ and recently explained that developing a broadband plan constitutes a task of “extraordinary importance.”¹⁸¹ While there is still work left to be done, there is no evidence that the trend towards increasing broadband usage is slowing. “Broadband adoption appears to have been largely immune to the effects of the current economic recession,” in that “more than twice as many respondents [to a recent survey] said they had cut back or cancelled a cell phone plan or cable TV service than said the same about their Internet service.”¹⁸² Indeed, both household use of the Internet and adoption of broadband increased substantially between 2007 and 2009 in each of the extensive array of demographic groups tracked by NTIA in its Digital Nation report.¹⁸³

Trends in Chicago relating to Internet access and broadband usage mirror those in the nation as a whole. In response to a recent survey, nearly 69% of Chicagoans reported accessing the Internet at home, 36% reported doing so at work, and 11.7% reported doing so in other places

¹⁸⁰ Remarks of Chairman Julius Genachowski to the Staff of the Federal Communications Commission (June 30, 2009), *available at* http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-291834A1.pdf (last visited Feb. 4, 2010); *see* Jim Puzzanghera, *FCC Chairman Has Broad Approach to Net Access*, L.A. TIMES, July 20, 2009, *available at* <http://www.latimes.com/business/la-fi-genachowski20-2009jul20,0,5802880.story> (last visited Feb. 4, 2010) (“**What’s your top priority for the FCC? One is broadband. And the other is revitalizing and retooling the FCC.**”) (emphasis in original); Chairman Genachowski Announces Topics to Focus Discussion at Workshops for National Broadband Plan (July 30, 2009), *available at* http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-292455A1.pdf (last visited Feb. 4, 2010) (“Broadband is our generation’s major infrastructure challenge.”).

¹⁸¹ Letter from Chairman Julius Genachowski, Federal Communications Commission, to the Honorable John D. Rockefeller, United States Senate; Kay Bailey Hutchison, United States Senate; Henry A. Waxman, U.S. House of Representatives; and Joe Barton, U.S. House of Representatives (Jan. 7, 2010), *available at* http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-295546A1.pdf (last visited Feb. 4, 2010).

¹⁸² Home Broadband Adoption 2009, at 4-5.

¹⁸³ Digital Nation, at 5-9, 11.

(e.g., public libraries).¹⁸⁴ Moreover, a large percentage indicated that they have broadband connections at home, with 38.9% reporting a DSL connection and 25.8% reporting a cable modem connection.¹⁸⁵

It is not just the Internet's accessibility but also its interactivity that has contributed to the importance of the Internet as a source of news and information. The interactive nature of the Internet distinguishes online sources from traditional media by allowing users to filter and select content specific to their interests and to contribute their own information, commentary, and opinions to the mix. In fact, the Pew Internet & American Life Project's Participatory News Consumer study released in March 2010 found that today "37% of Internet users have contributed to the creation of news, commented on it, or disseminated it via postings on social media sites like Facebook or Twitter."¹⁸⁶ As more users are consuming Internet news and participating in its creation and distribution, the medium increasingly performs the same functions as traditional news outlets, and also, in many respects, goes beyond traditional one-way news delivery. For these reasons, as early as 2003 and in the context of revising its media ownership rules, the Commission readily acknowledged the "important role [of the Internet] in the available media mix" as "a commonly-used source for news, commentary, community

¹⁸⁴ Scarborough Research, *2009 Chicago Scarborough Release 1 Study*.

¹⁸⁵ *Id.*

¹⁸⁶ Participatory News Consumer, at 2; *see id.* at 40, 44 (finding that on a typical day, 51% of social networking site users get news from people they follow on sites such as Facebook or MySpace, 23% of this cohort specifically get news from news organizations or individual journalists that they follow on social networking sites, and 17% of Internet users have posted links and thoughts about news on a social networking site); *see also* OBI Working Paper No. 1, at 16 (reporting that 52% of all Internet users use the Internet to access social networking sites); The Nielsen Company, *Social Networking's New Global Footprint* (Mar. 9, 2009), <http://blog.nielsen.com/nielsenwire/global/social-networking-new-global-footprint/> (last visited Feb. 4, 2010) (documenting the increase in popularity of social networking sites in general).

affairs, and national/international information.”¹⁸⁷ And in 2008 the agency further recognized that:

The nearly instantaneous speed with which consumers can now communicate via the Internet has created a vastly improved two-way flow in the sharing of ideas between traditional news gatherers and news consumers, with a consequent power to affect the priority that the traditional media place on coverage of certain events and topics. Many previously passive consumers of news are already taking advantage of the opportunities the Internet allows to influence the newsgathering process. More than ever before, readers and audiences are themselves communicating with news gatherers to demand, directly and indirectly, coverage of specific topics.¹⁸⁸

Although online news played a relatively small role just a few short years ago and thus was not even tracked in media consumption surveys, large percentages of Americans now obtain news online. Indeed, by early 2009 fully 70% of adult Internet users reported getting news online.¹⁸⁹ This represents a significant increase over prior years; in 2008, only 37% of Americans reported receiving news through the Internet regularly; in 2006, only 31% reported doing so; and in 2000 the percentage was only 23%.¹⁹⁰ In addition, during the short period between 2006 and 2008, the number of Americans responding that they read a newspaper online “yesterday” increased more than 50%, from 9% in 2006 to 14% in 2008,¹⁹¹ a figure that has risen

¹⁸⁷ *2003 Order*, 18 FCC Rcd at 13,765-66 (¶ 365).

¹⁸⁸ *2008 Order*, 23 FCC Rcd at 2032 (¶ 38).

¹⁸⁹ Sydney Jones and Susannah Fox, *Generations Online in 2009*, at 5 (Jan. 28, 2009) (“Generations Online in 2009”), http://pewinternet.org/~media/Files/Reports/2009/PIP_Generations_2009.pdf (last visited Feb. 4, 2010).

¹⁹⁰ Pew Research Center for People & the Press, *Pew Research Center Biennial News Consumption Survey*, at 3-4 (Aug. 17, 2008) (“Biennial News Consumption Survey 2008”), <http://people-press.org/reports/pdf/444.pdf> (last visited Feb. 4, 2010).

¹⁹¹ *Id.* at 18.

further since then. With respect to particular types of news, OBI Working Paper No. 1 found that, by late 2009, 75% of Internet users reported getting local or community news online and 73% reported accessing international or national news on the Internet.¹⁹²

Pew's Participatory News Consumer study confirms that the Internet's popularity as a source of news has continued to grow, finding that on a "typical day" 61% of Internet users access news online, while 71% do so "at least occasionally."¹⁹³ This same study also found that the Internet is now the third most popular news platform behind local television news and national television news, surpassing radio (54%), local newspapers (50%), and national newspapers (17%).¹⁹⁴ This study further demonstrates the central importance of the Internet as a news resource for an increasing segment of the population; Pew found that among news consumers that rely on only a single medium for news, 36% relied solely on the Internet, a higher figure than for any other medium.¹⁹⁵

¹⁹² OBI Working Paper No. 1, at 16.

¹⁹³ Participatory News Consumer, at 10.

¹⁹⁴ *Id.* at 3. In fact, by 2008, the percentage of Americans who reported receiving news online regularly significantly exceeded the percentage of individuals saying that they regularly watched the network evening news (29%) or the network morning news (22%), and amounted to nearly the same percentage of respondents indicating that they regularly watch cable news (39%). Biennial News Consumption Survey 2008, at 3-4. Even as of May 2007, according to an FCC-commissioned study by Nielsen Media Research, Inc., when asked what they considered the "most important source for more in-depth information on specific news and current affairs topics," 23.5% of those surveyed cited Internet/websites, a higher percentage than those citing broadcast television stations (20.1%), local newspapers (9.8%), or national newspapers (4.7%). Nielsen Media Research, Inc., *Federal Communications Commission Telephone Study*, FCC Media Study 1, at 89 (June 2007), available at http://fjallfoss.fcc.gov/edocs_public/attachmatch/DA-07-3470A2.pdf (last visited Feb. 4, 2010). Similarly, more Americans surveyed cited Internet/websites (16.8%) as the most important source of national news and current affairs than cited national newspapers (5.9%) or local newspapers (4.8%). *Id.* at 93.

¹⁹⁵ Participatory News Consumer, at 11.

With respect to particular types of news, a recent survey asking people to identify their main source or sources for national and international news revealed that the Internet now serves as a primary source of such news for more Americans than newspapers and, indeed, all other media sources except television, which it may well overtake soon.¹⁹⁶ Among younger Americans (those under 30), the same percentage that identified television as one of their main sources for national and international news – 59% – identified the Internet as one of their main news sources.¹⁹⁷ Americans also are increasingly relying on the Internet for local news. As noted above, OBI Working Paper No. 1 found that 75% of Internet users – or 58.5% of all respondents – access local or community news online.¹⁹⁸ Further, the Internet allows Americans to connect more easily with government; OBI Working Paper No. 1 found that 58.5% of all respondents reported using the Internet to visit local, state, or federal government websites, and half of Internet users, or 39% of all respondents, used the Internet to get advice from a government agency about a health or safety issue.¹⁹⁹ These findings hold true across racial categories. More than two-thirds (67%) of Black respondents and 61% of Hispanic respondents recently reported having visited local, state, or federal government websites.²⁰⁰ And minorities

¹⁹⁶ Internet Overtakes Newspapers, at 1.

¹⁹⁷ *Id.*

¹⁹⁸ OBI Working Paper No. 1, at 3, 16. A previous study had reached similar results. Pew Research Center for the People & the Press, *Many Would Shrug if Their Local Newspaper Closed*, at 9 (Mar. 12, 2009) (“Many Would Shrug”), <http://people-press.org/reports/pdf/497.pdf> (last visited Feb. 4, 2010) (reporting that 54% of respondents reported getting local news from the Internet either “regularly” (31%) or “sometimes” (23%)).

¹⁹⁹ OBI Working Paper No. 1, at 3, 16. This finding is also consistent with previous studies. *See Generations Online in 2009*, at 5 (reporting that 59% of respondents indicated that they had visited government websites).

²⁰⁰ *Minority Broadband Adoption*, at 21.

are more likely to use the Internet to obtain information about or to apply for government benefits.²⁰¹

The Internet is also becoming a principal destination for political news and advocacy in particular. Data from the last three Presidential election cycles show steady increases in the percentage of American adults who went online for news or information about politics or an election: the percentage of adults who did so rose from 18% in 2000 to 29% in 2004, and then significantly to 44% in 2008.²⁰² Moreover, the percentage of Americans citing the Internet as one of their *major* sources for election news more than doubled over the same period from just 11% in 2000 to 26% in 2008.²⁰³

The increasing availability of broadband makes it even easier for users to control the amount and type of content they receive; the method by which they receive it (for example, PDA or mobile phone alert, podcast, or streaming video file); and the time or schedule on which they access it. Broadband has thus fueled the popularity of online news sources and will likely continue to do so. Those Internet users with home broadband connections are *twice as likely* to use the Internet as they are newspapers to get political news, and for these users the Internet is “by far the second-most important source of campaign news, behind only television and well ahead of newspapers, radio and magazines.”²⁰⁴ Indeed, according to one study, approximately

²⁰¹ *See id.*

²⁰² Aaron Smith, *The Internet's Role in Campaign 2008*, at 48 (Apr. 15, 2009), http://www.pewinternet.org/~media/Files/Reports/2009/The_Internets_Role_in_Campaign_2008.pdf (last visited Feb. 4, 2010).

²⁰³ *Id.* at 51.

²⁰⁴ *Id.* at 7, 52.

one-quarter of the growth of daily online news consumption between 2002 and 2006 was properly attributable to the rise in residential broadband adoption.²⁰⁵

One-third of Americans – half of Internet users – also already regularly watch news video online,²⁰⁶ something which has only been made possible by broadband. In fact, “[n]ews shows are the most popular online programs – watched by about 43% of online TV viewers.”²⁰⁷

Content providers recognize these trends, with YouTube creating a “News Near You” feature that, after recognizing a user’s location, provides a list of potentially relevant videos.²⁰⁸

YouTube also recently invited the more than 25,000 news sources listed on Google News, which include many local news sources, to supply video for its site.²⁰⁹ In addition to the draw of a diverse supply of news sources online, the increasing preference Americans have shown for news-on-demand – checking on the news from time to time when it is convenient for them to do

²⁰⁵ John B. Horrigan, *Online News*, at 4 (Mar. 22, 2006) (“Online News”), http://www.pewinternet.org/~media/Files/Reports/2006/PIP_News.and.Broadband.pdf.pdf (last visited Feb. 4, 2010).

²⁰⁶ Biennial News Consumption Survey 2008, at 21, 25.

²⁰⁷ Radio Business Report, Inc., *More Consumers Watch TV Online; Hulu Rising* (Sept. 8, 2009), <http://www.rbr.com/media-news/research/16890.html> (last visited Feb. 4, 2010) (citing the Consumer Internet Barometer, a quarterly report produced by The Conference Board and TNS based on surveys of 10,000 U.S. households).

²⁰⁸ Brian Stelter, *Now on YouTube, Local News*, N.Y. TIMES, Aug. 3, 2009, available at <http://www.nytimes.com/2009/08/03/business/media/03youtube.html> (last visited Feb. 4, 2010).

²⁰⁹ *Id.* YouTube now hosts individual channels for Tribune’s WGN-TV, WPIX(TV), KTLA(TV), WSFL-TV, WTTV(TV), and WTIC-TV. See <http://www.youtube.com/user/wgn> (last visited Feb. 18, 2010); <http://www.youtube.com/user/WPIX> (last visited Feb. 18, 2010); <http://www.youtube.com/user/ktla> (last visited Feb. 18, 2010); <http://www.youtube.com/user/WSFL> (last visited Feb. 18, 2010); <http://www.youtube.com/user/wttv> (last visited Feb. 18, 2010); <http://www.youtube.com/user/WTIC> (last visited Feb. 18, 2010).

so instead of getting it at regular times chosen by traditional media outlets²¹⁰ – is also likely to bolster reliance on online news sources.

The popularity of online video sites offering entertainment content in competition with television broadcasters has also continued to rise, increasing by 34.9% from the third quarter of 2008 to the third quarter of 2009.²¹¹ Online video viewing continues to soar with nearly 31 billion videos viewed in November 2009 by more than 170 million U.S. Internet users.²¹² Indeed, one of the most popular sites – Hulu.com – is now commanding higher ad prices for some prime time shows than over-the-air TV,²¹³ and reportedly garnered more viewers in July 2009 than Time Warner Cable, one of the nation’s largest cable operators.²¹⁴ As a result of the dramatic growth in online viewing, Nielsen plans to incorporate online viewership into the TV ratings used for buying and selling of advertising this year.²¹⁵ Thus, due to unique characteristics

²¹⁰ Biennial News Consumption Survey 2008, at 33.

²¹¹ The Nielsen Company, *Three Screen Report: TV Remains Strong as DVR and Online Video Show Most Growth* (Dec. 7, 2009), http://blog.nielsen.com/nielsenwire/online_mobile/three-screen-report-tv-remains-strong-as-dvr-and-online-video-show-most-growth/ (last visited Feb. 4, 2010).

²¹² PR Newswire, *November Sees Number of U.S. Videos Viewed Online Surpass 30 Billion for First Time on Record*, Jan. 5, 2010, <http://www.prnewswire.com/news-releases/november-sees-number-of-us-videos-viewed-online-surpass-30-billion-for-first-time-on-record-80739807.html> (last visited Feb. 4, 2010).

²¹³ See Brett Pulley and Andy Fixmer, *Loyal ‘Simpsons’ Fans Fetch Higher Ad Rates on Web*, Bloomberg.com, June 25, 2009, <http://www.bloomberg.com/apps/news?pid=20601204&sid=atKGiQOMco.Y> (last visited Feb. 4, 2010).

²¹⁴ See *Hulu Had More Viewers in July than Time Warner Cable*, BROADCAST ENGINEERING, Sept. 3, 2009, available at <http://broadcastengineering.com/news/hulu-had-more-viewers-in-july-than-time-warner-090709/> (last visited Feb. 4, 2010).

²¹⁵ See Joe Mandese, *Nielsen Unveils Plan To Add Online Viewing To C3 Ratings*, MEDIA DAILY NEWS, Jan. 22, 2010, available at http://www.mediapost.com/publications/?fa=Articles.showArticle&art_aid=121116 (last visited Feb. 4, 2010).

that distinguish the Internet from traditional media, it has become a significant source for Americans of local and other news and information, as well as entertainment, and is likely to become even more of a factor as Internet usage in general and broadband adoption in particular continue to grow.²¹⁶

Further, the rise of Internet sites such as Craigslist, a free online classifieds site with separate sub-domains for 500 cities across 50 countries that is now one of the most popular destinations online, shows how the Internet is taking on many of the functions long-served by traditional news media.²¹⁷ Craigslist leverages filtering and search functionality in order to cater to an individual's particular interest, and that and other online classified advertising services

²¹⁶ There has also been a proliferation of hyperlocal news sites on the Internet. For instance, in June 2009, AOL acquired Patch and has since created AOL Patch local news web sites for small towns throughout New York, New Jersey, and Connecticut, with a goal of expanding the service to many more locales. AOL, Press Release, *AOL Acquires Two Local Services, Patch and Going* (June 11, 2009), <http://corp.aol.com/press-releases/2009/06/aol-acquires-two-local-services-patch-and-going> (last visited Feb. 12, 2010); Patch, *About Us*, <http://www.patch.com/about> (last visited Feb. 12, 2010). Each town's site has a dedicated editor who provides a steady stream of articles, photographs, and web listings covering a myriad of topics from tax ordinances to government hearings, high school sports, and traffic frustrations. Everyblock (which was acquired by MSNBC last summer) allows users to customize its site to receive aggregated local information relevant to their towns, such as municipal data, location-tagged photographs from Flickr, and business reviews from Yelp; the user can then have that information delivered to him or her automatically via e-mail or RSS feed reader. Everyblock, *About Everyblock*, <http://www.everyblock.com/about/> (last visited Feb. 12, 2010). Yahoo! Local delivers hyperlocal content to users through an extension of its existing site infrastructure, and Yahoo! Neighbors provides residents of the same area the ability to post questions and comments to which other residents respond. Yahoo!, *Yahoo! Local*, <http://local.yahoo.com/> (last visited Feb. 12, 2010); Yahoo!, *About Neighbors Yahoo! Neighbors*, http://local.yahoo.com/neighbors/bi_about.php (last visited Feb. 12, 2010). And Outside.in and Placeblogger have launched services that make lists of local sites and aggregated content available to users. Outside.in, *About Outside.in Hyperlocal news in 57,830 neighborhoods*, <http://outside.in/about> (last visited Feb. 12, 2010); Placeblogger, *FAQ*, <http://www.placeblogger.com/faq> (last visited Feb. 12, 2010). As hyperlocal sites increase in number and use, surveys will likely track their growing popularity.

²¹⁷ Sydney Jones, *Online Classifieds*, at 4, 6 (May 22, 2009) ("Online Classifieds"), <http://www.pewinternet.org/~media/Files/Reports/2009/PIP%20-%20Online%20Classifieds.pdf> (last visited Feb. 4, 2010).

have contributed to the steep decline in the traditional print classifieds business.²¹⁸ As Commissioner Baker recently explained, “the success of Craigslist and eBay has significantly reduced highly profitable classified ads.”²¹⁹ Other websites that have eroded classified advertising revenues for newspapers, contributing to their deteriorating financial condition, include job search sites, automobile search sites, and real estate search sites covering residential and commercial sales and rentals. OBI Working Paper No. 1 shows that by October/November 2009, 57% of adults who use the Internet reported accessing online classifieds websites.²²⁰ This is a significant increase over May 2009 when 49% reported doing so and an even more substantial increase over 2005 when 22% reported doing so.²²¹ The increasing use of such websites by consumers shows that people are turning to the Internet now more than ever for information previously provided largely by print copies of newspapers.

b. *The Chicago Market Is Well-Served By Abundant Internet Sites That Unquestionably Contribute To Localism, Diversity, And Competition.*

Today’s Internet users have a multitude of online news sources from which to receive diverse information and commentary, including not only local daily newspaper, television station, and radio news sites, but also local pages from national providers like CNN and

²¹⁸ According to NAA, which tracks advertising expenditures in a number of categories and product/service types on an annual basis, total expenditures on classifieds in all categories declined by 29.7% in 2008 and another 38.1% in 2009. *See Annual Advertising Expenditures.*

²¹⁹ *Hands off the Journalist*, Remarks of Commissioner Meredith Attwell Baker Before The Media Institute (Jan. 21, 2010), available at http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-295867A1.pdf (last visited Feb. 4, 2010).

²²⁰ OBI Working Paper No. 1, at 16. The Minority Broadband Adoption study showed that 78% of Black and 64% of Hispanic American respondents use the Internet to find information about employment opportunities, significantly outpacing the 48% of Whites who use the Internet for job information. *Minority Broadband Adoption*, at 20-23.

²²¹ *Online Classifieds*, at 3-4.

MSNBC, portals and aggregators such as Google and Yahoo!, international news sites such as the BBC, local news blogs, alternative news sites such as Altnet or Newsmax, and news listservs.²²² Locally oriented sites provide a rich source of unique information about, and perspectives concerning, community-wide issues. Importantly, a growing number also cater to highly localized, or even neighborhood-oriented, issues that often are too narrow for coverage by the mainstream media.²²³

The Chicago market is served by a wide variety of local news and information sites. These include not only an exceedingly large number of text-based sites, but also sites providing video, on a broad range of topics including local news, weather, and media; business; social and community organizations; culture and the arts; recreational activities and sports; education; public safety and emergencies; government and civic services; food and culinary events; hospitals, health, and medical education; political parties and candidates; religion; style and society; tourism; transportation and infrastructure; utilities; and miscellaneous other subjects. Multiple local sites also offer user-supplied content and classified advertising for automobiles, goods and services, employment, and real estate.

Moreover, usage of *independent* local news and information sites is extensive in the Chicago market. For example, between January and December 2009, www.chicagoist.com, which focuses on Chicago news, food, art, and events, had 948,523 unique visitors and 1,346,276 total visits. Three other independent Chicago-oriented sites had more than 150,000 unique visitors, 15 had between 20,000 and 99,999 unique visitors, and a substantial number of

²²² Online News, at 10-12.

²²³ See *supra* note 216.

additional such sites had between 10,000 and 19,999 unique visitors.²²⁴ The widespread availability and usage of these independent local websites contribute to the diversity of local news and information available in the Chicago market and reflect the limitless potential of the Internet to augment the already staggering number and variety of local news and information content sources in the Chicago media marketplace.

c. *Mobile Video Applications And Other New Media Provide Additional Sources Of Information For Those “On The Go.”*

The mobile video market is one of the fastest growing segments of the video marketplace,²²⁵ providing yet another alternative to traditional broadcasting outlets or newspapers as a source of information and entertainment for consumers, as well as a platform for advertisers to reach those consumers with their marketing messages. Mobile video can be accessed by a variety of methods including subscription wireless services on a mobile phone, downloads to a portable device, applications customized for the iPhone, iPad or BlackBerry, and soon over-the-air mobile DTV viewable on an array of portable devices.²²⁶ Wireless providers,

²²⁴ Further information regarding usage of local independent Internet news sites in the market, including the site operated by the Chicago News Cooperative, is appended hereto as Attachment 8.

²²⁵ See The Nielsen Company, *A2/M2 Three Screen Report: 3rd Quarter 2009*, at 2, 4 (updated Dec. 18, 2009), http://en-us.nielsen.com/etc/medialib/nielsen_dotcom/en_us/documents/pdf/white_papers_and_reports.Pa.r.30466.File.dat/3ScreenQ309_USrpt_12.07final.pdf (“Nielsen A2/M2 3rd Quarter 2009 Study”) (last visited Feb. 1, 2010).

²²⁶ See Tricia Duryee, *Mobile DTV Backers Prep New Video Devices For 2010*, MocoNews.net, Jan. 4, 2009, <http://moconews.net/article/419-mobile-dtv-backers-prep-new-video-devices-for-2010/> (last visited Feb. 4, 2010) (describing new devices, including a portable Mobile DTV receiver with DVD playback, netbook computers, a mobile Wi-Fi access point, USB receivers for laptops, and the Tivit, a device that receives Mobile DTV signals and transfers them to a device with a Wi-Fi connection); see also Television Broadcast, *Mobile DTV Beta Launch Scheduled*, Jan. 8, 2010, <http://www.televisionbroadcast.com/article/92816> (last visited Feb. 4, 2010); Todd Haselton, *LG to Launch Three North American Mobile DTV Phones at CES*, Mobile Burn, Dec. 29, 2009, <http://www.mobileburn.com/news.jsp?Id=8457> (last visited Feb. 4, 2010); see also, e.g., Tong Zhang, *Tivizen Mobile DTV Receiver Brings TV Watching Over Wi-Fi to*

broadcasters, and other content providers are responding to the increased consumer demand for mobile video.

A recent Nielsen survey found that the percentage of subscribers watching video on a mobile phone increased by 53% between the third quarter of 2008 and the third quarter of 2009.²²⁷ This trend appears likely to continue; indeed, a recent national survey conducted by Magid Media Labs found that nearly 9 out of 10 respondents were interested in watching live news and weather programming on mobile devices.²²⁸ At present, two wireless mobile video providers – MobiTV and MediaFLO – offer video content to a growing number of subscribers. MobiTV provides live video and video on demand (“VOD”) to more than seven million subscribers²²⁹ and MediaFLO’s FLO TV service is available in the top 110 U.S. markets through a number of carriers.²³⁰ In addition to providing service via hand-held devices, both MobiTV and MediaFLO are aggressively targeting the nascent market for in-vehicle live TV and on-demand programming. MobiTV’s chief marketing officer has commented that “it’s a viable use case that people like to be connected with news, entertainment and information services in the

Tablet, Laptop and Phone, MobileTech Review, Apr. 12, 2010, <http://mobiletechreview.com/ubbthreads/showflat.php?Number=36719> (last visited Apr. 17, 2010).

²²⁷ See Nielsen A2/M2 3rd Quarter 2009 Study, at 2, 4.

²²⁸ See Open Mobile Video Coalition, *Survey Reveals Widespread Appeal of Over-The-Air Broadcast Mobile Digital Television Delivering Live, Local News & Weather*, Dec. 9, 2009, available at http://www.omvc.org/_assets/docs/press-releases/2009/OMVC-Survey-December-9-News-Release-FINAL.pdf (last visited Feb. 4, 2010).

²²⁹ See Peter Cervieri, *TV Everywhere – MobiTV*, ScribeMedia.org, Nov. 27, 2009, <http://www.scribemedi.org/2009/11/27/tv-everywhere-mobitv/> (last visited Feb. 4, 2010).

²³⁰ Todd Spangler, *TV Behind the Wheel, Will In-Car TV Shift Into the Fast Lane – Or Is It a Non-Starter?*, MULTICHANNEL NEWS, Jan. 23, 2010, available at http://www.multichannel.com/article/445558-TV_Behind_the_Wheel.php?nid=2226&source=link&rid=5977151 (last visited Feb. 4, 2010).

car.”²³¹ For CNN, broadcasting on FLO TV, a preinstalled video device in the car, is an opportunity to “notify the driver if there’s an accident on the highway up ahead and advise an alternate route or send breaking news alerts to the dashboard.”²³² Consumers increasingly are turning to mobile video for live information. MediaFLO noted that its “most dramatic viewership increases in 2008 occurred during live events,” such as live coverage of Hurricane Ike (increasing viewership by 31%) and the 2008 Presidential election.²³³

The end of analog broadcasting and the concomitant change to mandatory digital transmissions in June 2009 has presented broadcasters with the opportunity to reach viewers with information, entertainment, and public safety information by broadcasting a mobile video programming stream.²³⁴ With the adoption of a mobile standard for over-the-air television in late 2009, television broadcasters now are well-positioned to take advantage of the mobile trend.²³⁵ Indeed, by the end of 2009, approximately 30 stations were broadcasting a mobile DTV signal and more than 70 television stations announced plans to begin operating a mobile DTV

²³¹ *Id.*

²³² *Id.*

²³³ Jason Ankeny, *MediaFLO USA: Users Watching 20 Minutes Per Day*, Fierce Mobile Content, Jan. 8, 2009, <http://www.fiercemobilecontent.com/story/mediaflo-usa-users-watching-20-minutes-day/2009-01-08> (last visited Feb. 4, 2010).

²³⁴ See *Broadcasters Demo “Triple Play” of New DTV Services*, Radio Business Report/Television Business Report, July 28, 2009, <http://www.rbr.com/tv-cable/16039.html> (last visited Feb. 4, 2010); see also Stewart Wolpin, *Mobile DTV Is Ready to Roll into CES*, TWICE, Jan. 8, 2009, http://www.twice.com/article/240652-Mobile_DTV_Is_Ready_To_Roll_Into_CES.php (last visited Feb. 4, 2010) (quoting LG’s John Taylor, who notes, “what’s really important, if not more important, are their ability to receive local content and, therefore, their role in public safety or in a crisis”).

²³⁵ Glen Dickson, *Mobile DTV Standard Approved*, BROAD. & CABLE, Oct. 16, 2009, available at http://www.broadcastingcable.com/article/358341-Mobile_DTV_Standard_Approved.php (last visited Feb. 4, 2010).

stream by the end of 2010.²³⁶ Trials of the OMVC mobile TV standard have been run in Chicago and Washington, D.C., and other cities will soon see additional trials. Recently, 12 major television broadcast groups, including NBC Universal, Fox, and ION, announced a joint venture designed to accelerate nationwide optimization of broadcast mobile DTV; the participating companies will contribute spectrum and content for a mobile over-the-air service that is expected to reach 150 million viewers.²³⁷ In the second quarter of 2010, Sprint and Samsung will partner to launch a free trial of digital mobile video in the Washington, D.C. and Baltimore markets, bringing live TV programming from local broadcast affiliates to Sprint subscribers with a Samsung mobile device.²³⁸ While over-the-air mobile DTV is still in its infancy and is likely to draw on existing sources of content initially, it is reasonable to anticipate that the launch of this new mobile service will drive the creation of content directed exclusively toward mobile viewers.²³⁹

²³⁶ See Tricia Duryee, *Mobile DTV Backers Prep New Video Devices For 2010*, MocoNews.net, Jan. 4, 2009, <http://moconews.net/article/419-mobile-dtv-backers-prep-new-video-devices-for-2010/> (last visited Feb. 4, 2010) (noting that OMVC says “to date, 30 U.S. stations have started offering Mobile DTV”); see also *Mobile DTV Beta Launch Scheduled*, Television Broadcast, Jan. 8, 2010, <http://www.televisionbroadcast.com/article/92816> (last visited Feb. 4, 2010) (describing a beta service launch that will include 20 free local broadcast channels); Todd Haselton, *LG to Launch Three North American Mobile DTV Phones at CES*, Mobile Burn, Dec. 29, 2009, <http://www.mobileburn.com/news.jsp?Id=8457> (last visited Feb. 4, 2010) (noting that “OMVC has said that 70 other stations have announced plans to roll-out Mobile DTV broadcasts by the end of 2010”).

²³⁷ Brian Stelter, *Local TV Stations in Venture for Mobile Programming*, N.Y. TIMES, Apr. 13, 2010, available at <http://www.nytimes.com/2010/04/14/technology/14mobile.html?dbk> (last visited Apr. 19, 2010).

²³⁸ Ray Willington, *Mobile DTV Launch Set for May 3 in Washington, D.C.*, Hot Hardware, Apr. 13, 2010, <http://hothardware.com/News/Mobile-DTV-Launch-Set-For-May-3rd-In-Washington-DC/> (last visited Apr. 17, 2010).

²³⁹ See Mobile Content Writers, <http://www.mobilecontentwriters.com> (last visited Feb. 4, 2010) (a company focused on creating new mobile content); see also Jason Ankeny, *2010 Prediction No. 1: Micropayments Will Galvanize Original Mobile Content Efforts*, Fierce Mobile Content, Jan. 4, 2010, <http://www.fiercemobilecontent.com/special-reports/2010-prediction-no-1-micropayments-will-galvanize-original-mobile-content-efforts#ixzz0e3QFdh4m> (last visited

Mobile video is available in many formats, including live programming, downloads, and VOD. Indeed, many broadcast stations and newspapers target mobile consumers by allowing the download of news and information segments to mobile devices from their websites. For example, the *Hartford Courant* and the Fort Lauderdale-based *Sun Sentinel*, both owned by Tribune, offer podcast downloads on their websites directed toward mobile users. Others, such as *Chicago Tribune*, *Los Angeles Times*, and WGN(AM), as well as the *News-Times* (Danbury, Connecticut) and *Chicago Sun-Times*, now offer customized iPhone applications to allow users to access real-time information on local news, sports, traffic, and weather from the properties' websites.²⁴⁰ Additionally, certain new devices on the market have been specifically designed to bring over-the-air broadcasts to iPhones, Blackberries, laptops and other devices equipped with Wi-Fi, thus converting existing equipment into a mobile-DTV accessible device.²⁴¹

The popularity of the iPhone has driven the creation of iPhone web applications providing consumers with another source of news and information accessible when convenient for the viewer. In fact, a recent search of the iPhone website for “news” applications (*excluding* sports and weather applications) generated a list of more than 480 applications, such as,

Feb. 4, 2010) (noting that the micropayment method should “inspir[e] a new wave of original, made-for-mobile efforts”).

²⁴⁰ See Art of the iPhone, *Chicago Tribune News Reader on Your iPhone*, <http://artoftheiphone.com/2009/02/04/chicago-tribune-news-reader-and-sports-reader-free-iphone-apps/> (last visited Feb. 4, 2010); see also Mobile Marketing Association, *News Over Wireless: Local TV Stations Launch iPhone Apps*, available at <http://www.mmaglobal.com/studies/news-over-wireless-local-tv-stations-launch-iphone-apps-news-over-wireless> (last visited Feb. 4, 2010) (noting that top stories and weather content account for 50-60% of all traffic on the applications and that readers make heavy use of the application during severe weather events). *Newsday*, in which Tribune has an approximate 3% indirect equity interest, has a similar application.

²⁴¹ See Stephen Lawson, *Mobile DTV Goes Wi-Fi to Reach iPhones*, IDG News Service (Jan. 4, 2009), http://www.pcworld.com/article/185853/mobile_dtv_goes_wifi_to_reach_iphones.html (last visited Feb. 4, 2010).

Nashville 24/7, a hyperlocal news site; *The New Yorker* magazine; and *NPR Headline News*.²⁴²

The introduction of the larger-screen iPad promises to provide another mobile news opportunity for consumers.²⁴³ Likewise, more traditional content sources have recognized the growth opportunities in the mobile market and are reaching out to the mobile consumer. For example, CBS has created a website targeted to the mobile viewer that provides access to news feeds, sports, weather, and entertainment programming in a mobile-friendly format.²⁴⁴ During significant news events, CBS has encouraged the submission of user-generated content.²⁴⁵

In addition to mobile video applications, there are a host of new ways for information providers to reach audiences while they are away from home or work. For example, there are now screens conveying news, information, and advertising – much of it locally-oriented – in building lobbies and elevators, taxicabs, truck stops, and other locales.²⁴⁶ These screens, along with mobile video applications, provide additional and alternative sources of information, adding to the diversity of voices available in local markets.

²⁴² Apple Web, <http://www.apple.com/webapps/news/> (last visited Apr. 17, 2010).

²⁴³ *iPad's Early App Economy: Games Dominant, News Makes Inroads*, paidcontent.org, Apr. 7, 2010, <http://paidcontent.org/article/419-ipad-early-app-economy-games-dominant-news-makes-in-roads/> (last visited Apr. 18, 2010).

²⁴⁴ CBS Mobile, <http://www.cbseymobile.com> (last visited Feb. 4, 2010).

²⁴⁵ See Jason Ankeny, *CBS Mobile Calls For User-Generated Video Submissions*, Fierce Mobile Content, Jan. 16, 2009, http://www.fiercemobilecontent.com/story/cbs-mobile-calls-user-generated-video-submissions/2009-01-16?utm_medium=rss&utm_source=rss&cmp-id=OTC-RSS-FMC0 (last visited Feb. 4, 2010) (CBS online and mobile properties are “inviting Americans to submit their videos and photos as part of a multi-platform project exploring the challenges facing the country as President-elect Barack Obama takes office.”).

²⁴⁶ See, e.g., Out of Home Video Advertising Bureau, www.ovab.org (last visited Feb. 4, 2010); see also Out of Home Video Advertising Bureau, *Network Planning Guide*, <http://www.ovab.org/OVAB%20Network%20Planning%20Guide%20August.xls> (last visited Feb. 4, 2010) (providing information regarding various providers of out of home video screens).

3. Tribune’s Chicago Combination Has Had, And Will Have, No Adverse Impact On Competition.

The Commission and the courts have long recognized that the NBCO Rule itself is not necessary to protect competition. In 2003, the Commission determined that most advertisers simply “do not view newspapers, television stations, and radio stations as close substitutes,”²⁴⁷ and that “at least for purchasers of advertising time,” newspapers, television and radio “make up distinct product markets.”²⁴⁸ Further, to the extent that any advertisers tend to substitute between media, the Commission found that newspaper/broadcast combinations continue to face competition from a number of separately-owned media outlets in their local markets.²⁴⁹ Accordingly, the FCC found that elimination of the ban could not “adversely affect competition in any product market.”²⁵⁰ No party directly challenged this aspect of the FCC’s *2003 Order*,²⁵¹ and the Third Circuit expressly agreed with the agency’s determination that “repealing the cross-ownership ban was necessary to promote competition.”²⁵² The Commission reaffirmed this conclusion in its *2008 Order*, stating that newspaper/broadcast combinations do not “adversely affect competition in any product market.”²⁵³

²⁴⁷ *2003 Order*, 18 FCC Rcd at 13,749 (¶ 332); *see id.* at 13,713 (¶ 243) (addressing the radio advertising market and stating that “[w]e conclude that advertisers do not view radio stations, newspapers, and television stations as substitutes”); *see Further Notice*, 21 FCC Rcd at 8844-45 (¶ 24).

²⁴⁸ *2003 Order*, 18 FCC Rcd at 13,749 (¶ 332); *see also 2008 Order*, 23 FCC Rcd at 2032 (¶ 39 n.131).

²⁴⁹ *2003 Order*, 18 FCC Rcd at 13,753 (¶ 340).

²⁵⁰ *Id.* at 13,749 (¶ 332); *Further Notice*, 21 FCC Rcd at 8844-45 (¶ 24).

²⁵¹ *Prometheus*, 373 F.3d at 398 (noting objections only to “the localism and diversity components of the Commission’s rationale”).

²⁵² *Id.* at 400-01; *see Further Notice*, 21 FCC Rcd at 8846 (¶ 28).

²⁵³ 23 FCC Rcd at 2032 (¶ 39 n.131).

Even to the extent that competition concerns might be considered relevant to evaluating the instant transaction, an analysis of the concentration levels and revenue shares for broadcasters and newspaper publishers in the Chicago DMA demonstrates that common ownership of WGN-TV, WGN(AM), and *Chicago Tribune* has not adversely affected, and will not adversely affect, competition among media outlets in that DMA. The HHI for traditional broadcast and newspaper media in Chicago is 1,230, nearly 130 points lower than the national average of 1,359.²⁵⁴ (The HHI is the metric utilized by the Federal Trade Commission and the Department of Justice (and otherwise widely accepted) as an appropriate measure of concentration.) An HHI of 1,230 is indicative of a market that is at the low end of the “moderately concentrated” range as defined by the Department of Justice’s Merger Guidelines and much closer to the 1,000 level that represents an unconcentrated market than the 1,800 level that represents a “highly concentrated” market.²⁵⁵ Moreover, each segment of the traditional media in Chicago is highlighted by robust competition. *Chicago Tribune* competes with *Chicago Sun-Times* and other dailies; WGN-TV competes with 12 other commercial television stations, including six owned by the Big-four networks (ABC, NBC, CBS and Fox); and WGN(AM), a stand-alone AM radio station, competes with 111 commercial radio stations, many of which are “clustered” group-owned stations, throughout the market.

A number of factors further demonstrate that Tribune’s common ownership of WGN-TV, WGN(AM), and *Chicago Tribune* has not resulted in increased media concentration in the Chicago market. First, the level of concentration in the Chicago market has decreased since

²⁵⁴ BIA Report, at 11.

²⁵⁵ *See id.* at 10.

2000, illustrated by a decline in the HHI from approximately 1,352 in 2000 to 1,230 in 2008.²⁵⁶ Second, over this same period, Tribune's share of advertising revenue among traditional media has decreased from 30.0% in 2000 to 28.6% in 2008, demonstrating that Tribune does not have market power.²⁵⁷ This wide distribution of revenues indicates a strongly competitive market.

In addition, the actual concentration level in the Chicago media market is much lower than is reflected by this HHI calculation, because this analysis was based only on competition among three traditional outlets – newspapers, television, and radio. It does not account for advertising revenue that flows to non-traditional media, including Yellow Pages, direct mail, out-of-home, local cable systems, online, Internet Yellow Pages, local magazines, mobile, and email marketing. Given the increasingly significant role played by non-traditional media, the Commission must take into account that the advent and ascendency of these media have resulted in much greater competition. When this wider media marketplace is considered, the analysis conclusively demonstrates that concentration in the Chicago advertising market is and is likely to remain low. Findings from a recent study indicate that, as of August 2009, the use of digital media (including the Internet) by small and medium-sized businesses for advertising surpassed their use of radio, newspaper, and television for the first time.²⁵⁸ The study shows that 77% of local businesses are using digital media for advertising, up from 73% a year ago, while the percentage using traditional media decreased from 74% last year to 69% this year.²⁵⁹ Further

²⁵⁶ *See id.* at 13.

²⁵⁷ *See id.* at 8-9.

²⁵⁸ *Milestone: Local Online Tops Traditional*, INSIDE RADIO, available at <http://www.insideradio.com/Article.asp?id=1465446&spid=33231> (last visited Feb. 9, 2010).

²⁵⁹ *Id.*; see BIA/The Kelsey Group, *Penetration of Online Media Surpasses Traditional Media for First Time Among Small-Business Advertisers, According to BIA's The Kelsey Group* (Aug.

illustrating the prominent role played by non-traditional media generally, another study concluded that businesses of all sizes spent \$23.4 billion on Internet advertising in 2008 in the United States, more than was spent on radio, outdoor advertising, or Yellow Pages and about the same as was spent on consumer magazines.²⁶⁰ These trends in use away from traditional media (newspapers and radio and television stations) and toward new media are expected to continue. Indeed, estimates released earlier this year predict continued declines in spending on traditional media between 2009 and 2014 (compounded annual growth rate (“CAGR”) of -1.2%), while new spending on non-traditional media is expected to grow substantially (CAGR of 19.3%) over that same period.²⁶¹

In the Chicago DMA, media other than the traditional media garnered a 54.2% share, or more than half, of total advertising revenues in 2008, with new media in particular (including online, Internet Yellow Pages, Mobile, and email marketing) earning a sizeable 7.4% share.²⁶² The amount earned by just these four new media was nearly as much as the 10.5% spent on radio and more than half of the 14.4% spent on television stations.²⁶³ When the wider market of traditional and new media is taken into consideration, Tribune’s share of advertising revenue in the Chicago DMA was just 13.1% in 2008.²⁶⁴ Accordingly, it is clear that Tribune’s common

20, 2009), available at <http://www.kelseygroup.com/press/pr090820.asp> (last visited Feb. 9, 2010).

²⁶⁰ BIA Report, at 14-15 (citing Hamilton Consultants, *Economic Value of the Advertising – Supported Internet Ecosystem*, June 10, 2009, available at http://www.iab.net/insights_research/530422/economicvalue (last visited Feb. 9, 2010)).

²⁶¹ *Id.* at 18.

²⁶² *Id.* at 18-19.

²⁶³ *Id.* at 19.

²⁶⁴ *Id.* at 20.

ownership of WGN-TV, WGN(AM), and the *Chicago Tribune* has not had, and will not have, an adverse impact on advertising competition, even if such competition were deemed legally relevant to evaluating the instant transaction.

C. Separation Of The Commonly Owned Properties Would Have Adverse Public Interest Effects.

As shown above, permitting Tribune's Chicago combination to remain intact would serve the public interest in myriad ways without any diversity or competition-related concerns. By contrast, the forced divestiture of any of the properties would have the opposite effect. As demonstrated below and in the second attached report of BIA ("BIA Separation Analysis"), the assumption that an alternative purchaser would be willing and able to acquire any of the properties subject to such a divestiture condition simply is untenable in today's highly challenging media marketplace.²⁶⁵ Even assuming that such a purchaser could be found, there is no guarantee that such a new owner would have the resources or resolve to maintain the amount and caliber of local news, information, and other community services that are offered by each of Tribune's Chicago properties today.

The existence of a financially sound alternative buyer is a key premise underlying any assumption that compelled divestiture would conceivably serve the public interest. The supposition that such a buyer might exist for any media properties, including Tribune's Chicago properties, is unlikely under current marketplace realities. The meltdown of financial markets in the last two years has caused financial institutions to tighten loan qualifications substantially and dramatically decrease lending to consumers and businesses. The credit crunch has been

²⁶⁵ See Mark R. Fratrick, Ph.D., BIA Advisory Services, *An Analysis of the Effect on Diversity of Separation of Local Media Combinations*, at 2-3 (Feb. 22, 2010) ("BIA Separation Analysis") (Attachment 9 hereto).

particularly pronounced with respect to media properties, as several financial institutions recently have reduced or even eliminated their broadcast lending divisions.²⁶⁶ Thus, financing for businesses with an interest in acquiring broadcast and newspaper properties is not readily available as a result of the global economic crisis.²⁶⁷

In addition, any company seeking to acquire a newspaper or broadcast property in the near term would face highly unfavorable industry conditions. As explained in greater detail in the BIA Separation Analysis, local television stations are increasingly competing with other sources of video programming, including cable systems, DBS operators, and Internet video streaming.²⁶⁸ The resulting migration of broadcast television audiences to other media sources has led to a sharp drop in advertising sales.²⁶⁹ This decline has been exacerbated by the downturn in the economy, with both national and local advertisers significantly curtailing advertising expenditures.²⁷⁰ As a result, total television station revenues have been trending downward, with a staggering drop in their growth rate of 27.5% between 2007 and 2009 and a decrease in revenues of 22.4% in 2009 alone.²⁷¹

The local daily newspaper industry has fared even worse in recent months. As discussed above and in the BIA Separation Analysis, daily newspapers are confronting intense and ever-increasing competition from new media sources, which has drained advertising revenues and

²⁶⁶ *Id.*

²⁶⁷ *Id.*

²⁶⁸ *Id.* at 7-8.

²⁶⁹ *Id.*

²⁷⁰ *Id.* at 9.

²⁷¹ *Id.* at 8-9. Dr. Fratrick uses two-year revenue growth rates to even out the impact of federal political advertising in even-numbered years. *Id.* at 8.

depleted subscribership.²⁷² Total annual advertising revenues for the newspaper industry decreased by 16.6% in 2008, and projections for newspaper advertising revenues show a further decrease of 11.5% in the compounded annual growth rate over the next five years.²⁷³ Indeed, in the first three quarters of 2009, these decreases accelerated. Total newspaper advertising for these three quarters fell to \$19.9 billion, a drop of 28.4% from the same period in 2008, and the print component of advertising dropped to \$17.9 billion (a 29.6% decline from the same period in 2008).²⁷⁴

Given these market conditions, it is not surprising that the rate of sales for media properties is depressed. Media companies have been forced to file for bankruptcy or to shut down altogether as a result of severe financial hardship and the lack of interested buyers.²⁷⁵ An examination of transaction activity for local media properties reveals a substantial decline in both the level of third-party interest in acquiring such properties and the value of properties sold.²⁷⁶ For example, in 2009, 76 full-power television stations were sold for a total value of \$715 million, which represents a 74.1% decrease in the number of stations sold and an 84.5% decrease in the value of those sales as compared to 2007.²⁷⁷ And, just 31 daily newspapers were sold in

²⁷² See *id.* at 10-12; see also *supra* Sections II.C, III.B.1.b, III.B.2.

²⁷³ BIA Separation Analysis, at 12-13 (observing also that the print component of annual newspaper advertising decreased by nearly 18% in 2008).

²⁷⁴ *Id.* at 12.

²⁷⁵ See *id.* at 10-11, 13 (noting that a number of broadcast stations and newspapers recently filed for bankruptcy protection to maintain continued service, and that several newspapers have shut down their print editions after years of service to their local communities, while others have curtailed their production as part of cost saving measures); see also *supra* Section II.C.

²⁷⁶ BIA Separation Analysis, at 4-7, 13-14.

²⁷⁷ See *id.* at 5-6. These figures, furthermore, overstate the actual volume of transactions, because a large number of the transactions included stations owned by companies that have been forced into bankruptcy or reorganizations. See, e.g., *id.* at 5 nn.5 & 6; *PEJ 2010 State of the*

2009 for a total of \$183.7 million, compared to an average of nearly 68 daily newspapers sold per year for an average of approximately \$6.977 billion per year in each of the previous five years.²⁷⁸ The 2009 figures represent decreases of 54.4% in the number of newspaper sales and 97.4% in the total value of transactions as compared to the averages for the previous five years.²⁷⁹

Even assuming the existence of an interested buyer able to procure adequate financing to purchase one of Tribune's Chicago properties, it is improbable that such buyer would have the resources to provide high-quality local programming and almost certain that it would not be able to match the amount and caliber of local service currently offered by Tribune. The high-quality local news and information and investigative reporting that Tribune's Chicago properties currently provide is extremely costly. To make ends meet, a growing number of publishers and broadcasters have had to cut back on local news coverage.²⁸⁰ In this environment, the synergies and cost efficiencies that can make such local service feasible are more critical than ever. As shown herein, cross-ownership of media properties produces extensive synergies.²⁸¹ Given the dismal outlook for the local broadcast and newspaper industries in these economic times, such

News Media Report, Local TV, Summary Essay at 2, Ownership at 24-26, http://www.stateofthedia.org/2010/printable_local_tv_chapter.htm (last visited Mar. 18, 2010) (noting that, although "[t]he market for local television stations was more active in 2009 than a year earlier[,] . . . most of this activity was due to bankruptcies and the availability of distressed properties at often below market value").

²⁷⁸ BIA Separation Analysis, at 13-14 (citation omitted); *see also* *PEJ 2010 State of the News Media Report*, Newspapers, Ownership at 34-36, http://www.stateofthedia.org/2010/printable_newspaper_chapter.htm (last visited Mar. 18, 2010) (reporting that "[v]ery few papers of any size were sold in 2009, and for the few that did change hands there were typically some special circumstances," often bankruptcy).

²⁷⁹ BIA Separation Analysis, at 14.

²⁸⁰ *See supra* Section II.C.

²⁸¹ *See supra* Section III.A.

synergies can make the difference between the provision of high-quality local news and information and its absence.

D. Waiver Of The NBCO Rule Is Plainly Justified Here, And Denial Of The Requested Relief Would Be Inconsistent With The Administrative Procedure Act And Unconstitutional.

As shown above and expanded upon below, waiver of the NBCO Rule is fully justified in this case and necessary to satisfy long-established principles of reasoned decision-making.

Indeed, in these circumstances, denial of the requested relief would violate the Administrative Procedure Act (“APA”) as well as both the First and Fifth Amendments to the Constitution.

First, the Commission has now twice expressly rejected an absolute ban; to apply it here would be arbitrary and capricious. As discussed above, based on abundant factual evidence regarding the benefits of common ownership and the tremendous diversity and competition among newspapers and other media properties (especially in the nation’s largest markets), the Commission has found on two prior occasions that a blanket NBCO ban does not serve the public interest.²⁸² This finding has been affirmed by the Third Circuit.²⁸³ Having also twice adopted changes to the NBCO Rule that would allow continued common ownership of Tribune’s Chicago combination, and having separately determined in 2007 that Tribune should receive a permanent waiver of the NBCO Rule in Chicago, the Commission cannot now justify a contrary decision in this proceeding.²⁸⁴ Indeed, the facts here demonstrate that Tribune’s cross-owned

²⁸² See *supra* Sections II.A.3-4.

²⁸³ See *id.*

²⁸⁴ See, e.g., *Radio-Television News Directors Ass’n v. FCC*, 184 F.3d 872, 887 (D.C. Cir. 1999) (“*RTNDA*”); see also *Nat’l Broad. Co. v. United States*, 319 U.S. 190, 225 (1943) (“If time and changing circumstances reveal that the ‘public interest’ is not served by application of [a regulation], it must be assumed that the Commission will act in accordance with its statutory obligations.”).

properties provide even *more* public interest benefits than were present in 2007, when it received a permanent waiver of the rule.²⁸⁵ The Supreme Court’s recent decision in *Fox Television Stations, Inc. v. FCC*²⁸⁶ confirms this conclusion. There, the Court held that an agency that departs from prior decisions must “provide a more detailed justification . . . when . . . its new policy rests upon factual findings that contradict those which underlay its prior policy.”²⁸⁷ The facts here are *more compelling* than those before the Commission when it made its prior determinations permitting Tribune’s Chicago combination to remain intact on a permanent basis.

It also would be arbitrary and capricious to deny Reorganized Tribune a waiver to own WGN-TV, WGN(AM), and *Chicago Tribune* when either the television station or the radio station could be owned in common with another television station outside of the top-four, a substantial number of radio stations, or other media properties, such as cable systems, without the need for any waiver at all. At the time it adopted the original NBCO Rule, the Commission relied heavily on the fact that owners of television and radio stations also could not acquire a cross-ownership interest in another medium of mass communications in the same market,²⁸⁸ and the Supreme Court emphasized this “one-property-per-owner” regulatory regime in upholding the rule.²⁸⁹ But the Commission has since liberalized virtually all of its other broadcast ownership rules and their corresponding waiver policies in response to the same changes in the

²⁸⁵ See *supra* Section II.B.

²⁸⁶ 129 S. Ct. 1800 (2009).

²⁸⁷ *Id.* at 1811; see also *Wyeth v. Levine*, 129 S. Ct. 1187, 1203-04 (2009) (concluding that an agency statement that “represent[ed] a dramatic change in position” “does not merit deference” and “is entitled to no weight”).

²⁸⁸ 1975 *Order*, 50 F.C.C.2d at 1050 (¶ 14).

²⁸⁹ *NCCB*, 436 U.S. at 801 (noting that the NBCO Rule “treat[s] newspaper owners in essentially the same fashion as other owners of the major media of mass communications”).

media marketplace that the FCC found warranted revision of the NBCO Rule.²⁹⁰ Nor can the agency rely on the Supreme Court’s decision, rendered more than 30 years ago, regarding the facial constitutionality of the NBCO Rule to justify its application here. “The mere fact that a rule is not unconstitutional does not therefore mean that its perpetuation is not arbitrary and capricious.”²⁹¹ Simply put, a “thirty year old conclusion that . . . [a] challenged rule[] survive[s] First Amendment scrutiny” cannot justify its application “in the face of modern challenges to the rules’ consistency with the FCC’s regulatory mandate.”²⁹²

To say that there are “modern challenges to the” NBCO Rule’s contemporary validity is an understatement. The agency simply cannot, consistent with the APA, ignore the vast changes that have occurred in the media marketplace since 1975. These include not only the growth in the number of traditional media sources – newspapers and broadcast television and radio stations – but also the introduction and increase in popularity of cable and other MVPDs, mobile video, and perhaps most significantly, the Internet.²⁹³ Indeed, Congress recently recognized the importance of the Internet in facilitating diversity and civic discourse by instructing the Commission to develop a National Broadband Plan that would, among other things, include “a plan for the use of broadband infrastructure and services in advancing . . . civic participation,”

²⁹⁰ *E.g.*, *Review of the Comm’ns Regulations Governing Television Broad.*, Report and Order, 14 FCC Rcd 12,903, 12,932 (¶ 64), 12,947 (¶¶ 100-01) (1999) (“*Television Ownership Order*”) (relaxing the television duopoly rule and the prohibition on common ownership of radio and television stations (the “one-to-a-market rule”). *Cf. Comcast Corp. v. FCC*, 579 F.3d 1 (D.C. Cir. 2009) (vacating 30% cap on horizontal cable ownership based on the FCC’s failure adequately to consider competition to cable from DBS).

²⁹¹ *RTNDA*, 184 F.3d at 882.

²⁹² *Id.*

²⁹³ *See supra* Section III.B.

and the agency already has taken steps towards doing so.²⁹⁴ On March 16, 2010, the FCC issued its report to Congress on the National Broadband Plan; several of its recommendations could significantly affect television broadcasting, including the proposed reallocation of portions of the present television broadcasting spectrum for non-broadcast mobile and wireless services, incentive spectrum auctions to encourage current spectrum holders to relinquish all or a portion of their current holdings, the imposition of user fees on spectrum holders, and rule changes to permit and encourage spectrum sharing and innovative uses of spectrum.²⁹⁵ On April 8, 2010, the FCC released its proposed “action agenda” for implementing key recommendations of the National Broadband Plan that involve rulemakings.²⁹⁶

FCC Commissioners and high-ranking staff also have acknowledged the fundamental changes that new technologies, particularly the Internet, have brought about. For instance, Commissioner Clyburn recently explained that “[t]oday, thanks to an open Internet, a small community newspaper or a budding journalist essentially has the same distribution network as the *Washington Post* or the *Memphis Commercial Appeal*.”²⁹⁷ Commissioner Copps has similarly recognized that “[i]ncreasingly our national conversation, our source for news and information, our knowledge of one another, will depend upon the Internet.”²⁹⁸ And Blair Levin,

²⁹⁴ 47 U.S.C. § 1305(k); see FCC, Public Notice, *Comment Sought on Moving Toward a Digital Democracy*, DA 09-2431 (rel. Nov. 17, 2009).

²⁹⁵ FCC, CONNECTING AMERICA: THE NATIONAL BROADBAND PLAN (2009), available at <http://www.broadband.gov/plan/> (last visited Apr. 18, 2010).

²⁹⁶ FCC, Public Notice, *FCC Announces Broadband Action Agenda* (rel. Apr. 8, 2010).

²⁹⁷ Remarks of Mignon L. Clyburn at the Workshop on Speech, Democracy and the Open Internet (Dec. 15, 2009), available at http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-295258A1.pdf (last visited Jan. 28, 2010).

²⁹⁸ Remarks of Commissioner Michael J. Copps at the Workshop on Speech, Democracy and the Open Internet (Dec. 15, 2009), available at