



Pillsbury Winthrop Shaw Pittman LLP
2300 N Street, NW | Washington, DC 20037-1122 | tel 202.663.8000 | fax 202.663.8007

Clifford M. Harrington
tel 202.663.8525
clifford.harrington@pillsburylaw.com

March 20, 2014

VIA HAND DELIVERY AND ELECTRONIC MAIL

Marlene H. Dortch
Secretary
Federal Communications Commission Office of the Secretary
445 12th Street, SW
Washington, D.C. 20554

Attn: Barbara A. Kreisman, Esq.
Chief, Video Division
Media Bureau
Peter Saharko, Esq.
Attorney Advisor
Video Division, Media Bureau

Re: File Nos:
BTCCDT-20130809ABW
BTCCDT -20130809ACA
BTCCDT -20130809ACB
BTCCDT -20130809ACC
BTCCDT -20130809ACD
BTCCDT -20130809ACE
BTCCDT -20130809ACG
BALCDT-20130809ADC
BALCDT-20130809ADE
BALCDT-20130809ADF
BALCDT-20130809ADG

Dear Ms. Dortch:

We are writing this letter on behalf of Sinclair Television Group, Inc. ("Sinclair"), with regard to the above applications (the "Applications").

The Purchase Agreement among Barbara B. Allbritton, Robert L. Allbritton, The Estate of Joe L. Allbritton, the Barbara B. Allbritton 2008 Marital Trust, the Robert Lewis Allbritton 1996 Trust, Allholdco, Inc., and Sinclair with respect to the acquisition of Perpetual Corporation and Charleston Television, LLC (the "Purchase Agreement") provides that the Purchase Agreement may be terminated by either party without cause if the Closing does not occur by the first anniversary of the date of the Purchase Agreement. Purchase Agreement, Section 12.1(d). The Purchase Agreement is dated July 28, 2013, which is almost eight months ago. Thus, it is vital that a decision on the pending applications be reached in time to permit a Closing by July 27, 2014 (the "Outside Date").

Sinclair is concerned that the process for review of applications which propose combinations of sharing arrangements and contingent financial interests, as announced in the *Public Notice, Processing Of Broadcast Television Applications Proposing Sharing Arrangements And Contingent Interests*, DA 14-330, released March 12, 2014 (the "Public Notice"), would result in undue further delays to processing of the Applications and may result in the parties being unable to consummate the proposed transactions by the Outside Date. Sinclair is also aware that the Commission is considering a Report and Order which would make certain joint sales agreements attributable and which would effectively prohibit the creation of new joint sales agreements, including pursuant to currently pending transactions.

For these reasons, Sinclair has given careful consideration to the concerns stated by the Commission in the Public Notice, and has developed the following plan to eliminate entirely the creation of any joint sales agreements, as well as all combinations of sharing agreements and contingent financial interests in the proposed transaction. As will be explained, the stations currently owned by Sinclair, and which are proposed to be assigned to a Deerfield party or Howard Stirk Holdings, with a proposed sharing arrangements, would instead be placed on the market and sold to third party entity or entities without any accompanying JSA or other long term sharing arrangement or a contingent financial interest. Sinclair would not provide any services related to retransmission consent negotiations to such entity or entities. It is believed that these proposals will also satisfy the concerns expressed by the petitioners in this proceeding.

Proceeding in the manner described herein would require considerable effort and cost relating to termination of the existing agreements, as well as assembling financial and other information, marketing of the stations, and negotiation of purchase agreements. Because of this, Sinclair requests some assurance from the Commission that the proposed plan of action would resolve the Commission's concerns as stated in the Public Notice, and permit

processing of the transaction in due course without the considerations contemplated by the Public Notice.

Here is the proposed resolution, by market, which, if implemented, would supersede previous proposals with regard to the pending transaction:

* * *

Birmingham, Alabama.

Current. Sinclair currently controls stations WTTO(TV) (CW), Homewood, Alabama, and WABM(TV) (MyNetwork), Birmingham, Alabama. It also has a grandfathered LMA with WDBB(TV), Bessemer, Alabama, which rebroadcasts the signal of WTTO (TV) to permit the residents of Tuscaloosa and other western portions of the Birmingham DMA to receive CW service. Under the Purchase Agreement, Sinclair would acquire WCFT-TV, Tuscaloosa, Alabama, and WJSU-TV, Anniston, Alabama, as well as low power station WBMA-LD, Birmingham, Alabama.

Proposed. The licenses and substantially all of the other assets of WABM (TV) would be sold to a third party (the "Birmingham Buyer"). There would be no sharing arrangement or contingent interest between Sinclair and the Birmingham Buyer, except possibly a transitional shared facilities agreement as discussed below.

Sinclair would acquire WJSU-TV, WCFT-TV and WBMA-LD, and retain WTTO (TV). The grandfathered LMA between WTTO (TV) and WDBB (TV) will be retained to permit CW service to continue to be provided to the western portions of the market.

The assets to be sold to the Birmingham Buyer acquiring WABM will include many of the operational assets of both WTTO (TV) and WABM (TV) and after the sale WTTO (TV) will be collocated with WBMA-LD. The parties may need a transitional shared facilities agreement to continue to allow WTTO (TV) to operate out of WABM (TV)'s facilities until WTTO (TV) can be moved into WBMA-LD's facilities.

It is believed that this will conform to the principles set forth in the Public Notice because there will be no sharing agreement (other than possibly a short-term and limited transitional shared facilities agreement) and no contingent interests whatsoever following consummation of the proposed transaction. It is also believed that this complies with the duopoly rules because there are more than 8 independent voices in the Birmingham DMA, and WTTO is not among the top 4 rated stations in the market; Sinclair's ownership of both WJSU-TV/WCFT-TV and WTTO (TV) will simply

replace the legal duopoly currently in the form of Sinclair's ownership of WTTO (TV) and WABM (TV). WBMA-LD is not counted for duopoly purposes because it is a low power station and we understand that WJSU-TV and WCFT-TV are treated as a single station for multiple ownership purposes.¹

Charleston, South Carolina.

Current. Sinclair controls WMMP (MyNetwork), Charleston, South Carolina. It also provides services to WTAT-TV (FOX), Charleston, South Carolina. Under the Purchase Agreement Sinclair would acquire WCIV(TV) (ABC), Charleston, South Carolina.

Proposed. Sinclair would acquire WCIV(TV). The licenses and substantially all of the other assets of WMMP, other than those also used in connection with WTAT, would be sold to a third party (the "Charleston Buyer"). There would be no sharing arrangement or contingent interest between Sinclair and the Charleston Buyer.

The current LMA between Sinclair and Cunningham Broadcasting Corporation, which controls WTAT-TV, would be terminated. Cunningham would acquire from Sinclair any assets owned by Sinclair that are used to support the operation of WTAT-TV. Sinclair would terminate its option to acquire the assets of WTAT-TV in return for a payment from Cunningham. There would be no sharing arrangement or contingent financial interest

¹ As discussed in Attachment 15 ("Description of Transaction") to the pending transfer of control application of TV Alabama, Incorporated, BTCCDT-20130809ABW, WCFT-TV and WJSU-TV operate as part of an "enhanced coverage" duopoly: the combination of two full power stations that are within, but at the periphery of, the same DMA. In this case, WCFT-TV and WJSU-TV both provide simulcast ABC network service as a means of providing ABC programming to the market. Independently, neither station could provide service to the central market. Consequently, the arrangement extends the reach of the ABC service to areas that would otherwise not receive ABC programming in the Birmingham DMA, thereby enhancing diversity. WBMA-LP (which is also part of the Purchase Agreement), has been simulcasting WCFT-TV/WJSU-TV programming to provide service to the central part of the DMA since 1996. The Commission recognized this specific ABC programming combination of WBMA-LP/WCFT-TV/WJSU-TV in its *Review of the Commission's Regulations Governing Television Broadcasting*, 14 FCC Rcd 12903, n.64 (1999). Additionally, the Media Bureau approved the sale of WJSU-TV as part of an "enhanced duopoly" with WCFT-TV in January 2000. See BALCT-19991116AJI. For these reasons, Sinclair believes that WCFT-TV and WJSU-TV are considered as a single station for purposes of the multiple ownership rules.

between Sinclair and Cunningham with respect to WTAT-TV, which would be owned and operated solely by Cunningham.

Cunningham has expressed its willingness to enter into an SSA (but not a JSA) with the Charleston Buyer upon the request of the Charleston Buyer. This arrangement would be solely between Cunningham and the Charleston Buyer; there would be no contingent financial or other interest between Sinclair and Cunningham or Sinclair and the Charleston Buyer.

It is believed that this structure will conform to the principles set forth in the Public Notice because Sinclair will have no sharing or contingent interest in either WTAT-TV or WMMP. While there may be a sharing arrangement between WTAT-TV and the Charleston Buyer, there will be no contingent financial interest between those entities or their stations and such a sharing agreement would be solely an SSA and would not include a JSA.

Harrisburg, Pennsylvania.

Current. Sinclair currently controls WHP-TV (CBS), Harrisburg, Pennsylvania, and is the programmer, under a grandfathered LMA, of WLYH-TV, Lancaster, Pennsylvania. Under the Purchase Agreement, Sinclair would acquire WHTM-TV, Harrisburg (ABC).

Proposed. Similar to the proposed transactions for Birmingham and Charleston, Sinclair is proposing a transaction in Harrisburg where it will be the owner of the ABC affiliate currently owned by Allbritton and it will sell to a third party both the CBS affiliate Sinclair currently owns, as well as the right and obligation to provide services to the CW affiliate pursuant to a grandfathered LMA, and as is currently the case. Following the transaction there will be no relationship whatsoever between the ABC station on the one hand and the CBS/CW stations on the other. Because, however, Sinclair prefers to own the license facilities of WHP-TV rather than those of WHTM-TV, as part of this transaction Sinclair proposes to retain the license and related license assets (e.g., antenna, transmission line, etc.) of WHP-TV and to transfer the license and related license assets of WHTM-TV to the buyer of all of the non-license assets of WHP-TV, to a third party buyer (the "Harrisburg Buyer"), not subject to any sharing agreement or contingent financial interest with Sinclair. Sinclair would not provide any services to the Harrisburg Buyer, would not guarantee its debt, and would not have an option or right of first refusal to acquire either the Harrisburg Buyer or any of the assets of the station. Sinclair would retain the WHP-TV license and related license assets, but utilize the studios, news capabilities, and other non-license assets acquired from WHTM-TV.

In the purchase agreement, Sinclair and the buyer would agree that WHP-TV and WHTM-TV would seek Commission consent to swap call letters, and they would also agree to ask all MVPDs to switch channel positions of the stations so that the switch of affiliations from one license to the other is not evident to their subscribers, and would also agree to take action to map the stations over-the-air signals so that each appears to over-the-air viewers to be on its historical channel position. The parties would also agree, subject to the consent of the relevant networks and other program providers, to move the network and syndicated programming of WHP-TV to WHTM-TV, and vice versa. The current employees of WHTM-TV would generally be employed post-closing by Sinclair, and the current employees of WHP-TV would generally be employed by the Harrisburg Buyer.

As a result, Sinclair would operate the ABC affiliate in the Harrisburg market, using the current channel and other technical facilities of WHP-TV, and the Harrisburg Buyer would operate the CBS affiliate using the current channel and technical facilities of WHTM-TV. It should be noted that unlike other transactions that the Commission may have been aware of in the past, the channel swap contemplated in this transaction is part of an asset allocation in a transaction being presented to the Commission for its prior review and will not result in any change in the status quo of the separate operation of the stations. Nor will there be any sharing arrangement or contingent interests between Sinclair and the Harrisburg Buyer.

The LMA with WLYH-TV would be transferred to the Harrisburg Buyer in order to preserve its grandfathered status. It is Sinclair's belief that because the LMA will stay with the CBS station in the market, this will conform to the principles set forth in the Commission's letter of December 6, 2013. If this is incorrect, please advise the undersigned as soon as possible.

It is believed that this will conform to the principles set forth in the Public Notice because there will be no sharing agreement and no contingent interests whatsoever following consummation of the proposed transaction.

* * *

Obviously, the proposed changes to the structure described above must be subject to Sinclair being able to identify the buyers for the stations to be sold, such entities obtaining sufficient financial commitments, reaching agreement on pricing and the terms of sales and other agreements, obtaining third party consents from program suppliers and others, and unforeseen contingencies. Sinclair also recognizes that the proposal is subject to Commission review of the final terms of any relevant agreements and the qualifications of the proposed buyers.

Marlene H. Dortch
March 20, 2014
Page 7

Moreover, given the current date, the typical time necessary to market stations and to submit a long form assignment application, and the statutory time periods for public notice and review, it may be necessary for Sinclair to seek permission to place the stations with a qualified trustee for a short period of time between the consummation of the Allbritton transaction and the sale of the stations identified in this letter to third parties without post-closing sharing arrangements or contingent interest relationships.. Sinclair would be willing to accept a conditional grant requiring divestiture of the stations via a trustee in such an event and would plan to use a trust only *after* entering into binding agreements to sell the stations to be sold as described above in transactions pending before the Commission.

Subject to these limitations, Sinclair is ready to attempt to put in place the structures contemplated by this letter. However, it would not serve the interests of Sinclair, Allbritton, the Commission or the public interest if the proposed structure does not meet the Commission's objectives as expressed in the Public Notice. While Sinclair recognizes that the Commission cannot commit to grant of applications meeting the descriptions set forth in this letter, it would serve all parties to know that the proposed structure would be processed expeditiously.

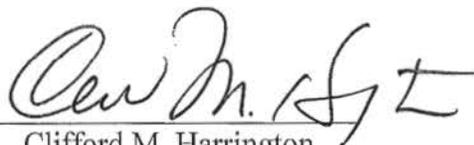
In order to avoid proceeding on a course that may not be an acceptable resolution of the Commission's concerns, Sinclair would appreciate receiving a response to this letter at the earliest possible time confirming that the changes proposed in the letter would be an acceptable solution to the concerns raised in the Public Notice. For all the above reasons, Sinclair respectfully request a prompt and positive response to the proposals set forth in this letter.

It is respectfully submitted that the proposals set forth herein resolve all outstanding FCC and antitrust considerations. If the Commission would desire to convene a meeting to review these proposals, Sinclair would be happy to provide any further detail the Commission might desire, and consider any suggestions that the Commission might make regarding these matters.

Marlene H. Dortch
March 20, 2014
Page 8

If you have any questions, please do not hesitate to contact us. If the staff requires additional information or would like to discuss alternative structures, we would be happy to meet to discuss these proposals in a candid and open fashion.

Very truly yours,

By: 
Clifford M. Harrington
Paul A. Cicelski

Counsel to Sinclair Broadcast
Group, Inc. and its subsidiaries

cc: William Lake, Esq.*
David Brown, Esq.*
Jerry Fritz, Esq.**
John Feore, Esq.**
Eric Greenberg, Esq.**
Miles S. Mason, Esq.**
Barbara Esbin, Esq.**
Matthew F. Wood**
David Honig, Esq.**
Raymie Humbert***
ECFS, MB Docket 13-203

*By electronic mail only

**By electronic mail and First Class U.S. Mail

***By electronic mail only at the request of Mr. Humbert