

United States Senate

WASHINGTON, DC 20510

June 5, 2017

The Honorable John Thune
Chairman
Committee on Commerce, Science and
Transportation
United States Senate
Washington, DC 20510

The Honorable Chuck Grassley
Chairman
Committee on the Judiciary
United States Senate
Washington, DC 20510

Dear Chairman Thune and Chairman Grassley:

We write to request that the Senate Commerce Committee and the Senate Judiciary Committee hold hearings to examine the proposed acquisition of Tribune Media (Tribune) by Sinclair Broadcasting (Sinclair), and on the Federal Communications Commission's (FCC) decision to permit this transaction by circumventing the national audience reach limitation for television stations set by Congress.

This past April, the FCC voted to relax the limits on how many stations a TV group could own by revising how the agency calculates the audience reached by broadcasters, thereby paving the way for mergers and acquisitions that would otherwise be barred by regulators, including the current proposal.

Sinclair currently owns 173 stations and reaches more than 38% of the nation. Tribune has 42 stations including WGN and stations in L.A., New York, Chicago and Philadelphia, and reaches more than 43% of the nation. If Sinclair is permitted to purchase Tribune, the combined company would be the largest television broadcast company in the United States covering 72% of U.S. homes across 108 markets including 39 of the top 50.

We are concerned about the level of media concentration this merger creates, and its impact on the public interest. First we are concerned that the proposed merger would harm competition. Sinclair, which will have more than 200 stations after the deal, will have even more leverage to extract high retransmission fees from pay-TV operators. It will also be in a better position to demand lower payments to broadcast networks for their content.

The lack of competition, in turn, could harm diversity in media ownership. Ownership rates by women and people of color are abysmally low. More media conglomerates means harder times for stations owned by people of color and women who are more likely to own only one or two stations. Small owners are often squeezed out when competing for advertising and talent against large entities.

We are also concerned about the impact that this deal will have on localism. The concept of localism is enshrined in Title III of the Communications Act which instructs the FCC to regulate broadcasting in the public interest. This cornerstone principle of broadcast regulation is a

recognition of the bargain that broadcasters strike in order to get a license—their programming must be responsive to the interests and needs of their communities.

Sinclair and Tribune overlap in 14 markets. The FCC's rules only allow ownership of two TV stations in a city provided "at least one of the stations is not ranked among the top four stations" in the market. Consistent with this rule, the FCC typically reviews transactions to determine whether any divestiture is required.

But so confident is Sinclair in its ability to withstand public interest scrutiny and prevail at the FCC and at the Department of Justice (DOJ), that its CEO has already declared that "We don't think we need to sell any of them . . . [w]hen you take a look at all the overlaps they really have no impact on overall competition and we hope that the regulators will agree with us." ¹


Congress has a demonstrated interest in localism, competition and diversity, which led to bipartisan support for the current national audience reach limit—a limit the Sinclair/Tribune transaction will exceed by nearly twofold.

In light of these concerns, we request that you hold Senate hearings after the companies have filed the requisite paperwork with the FCC and DOJ.

Senate hearings will provide critical transparency for the many American consumers who will be impacted by the deal and greater accountability from the companies who must demonstrate that the deal serves the public interest.

We believe the American consumers who will be most affected by this merger are entitled to full explication of the impact of this transaction in an open setting where its public interest value can be fully aired, examined and debated. Thank you for your prompt attention to our request.

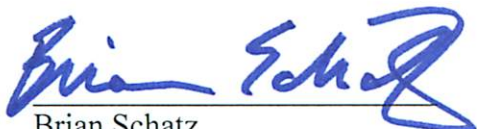
Sincerely,



Maria Cantwell
United States Senator



Richard Blumenthal
United States Senator



Brian Schatz
United States Senator



Catherine Cortez Masto
United States Senator

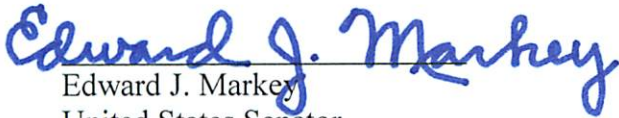
¹ Statement of Sinclair CEO Chris Ripley, <https://www.usatoday.com/story/money/business/2017/05/07/sinclair-broadcasting-buy-tribune-media-4-billion-deal-reports-say/101409222/>



Al Franken
United States Senator



Tammy Baldwin
United States Senator



Edward J. Markey
United States Senator



Cory A. Booker
United States Senator

cc: The Honorable Bill Nelson, Ranking Member of the Commerce, Science and
Transportation Committee
The Honorable Dianne Feinstein, Ranking Member of the Judiciary Committee