ONE HUNDRED FIFTEENTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON ENERGY AND COMMERCE

622

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Majority (202) 225-2927 Minority (202) 225-3641

August 7, 2018

The Honorable Ajit V. Pai Chairman Federal Communications Commission 445 12th Street SW Washington, DC 20554

Dear Chairman Pai:

Recent press reports raise questions as to whether Sinclair Broadcast Group, Inc. (Sinclair) illegally exercised control over the advertising activities of Tribune Media Company (Tribune). Coordination of this type may constitute a violation of the Communications Act² as well as Antitrust Law.³

We write to urge you to investigate whether Sinclair violated Section 310(d) or other provisions of the Communications Act.⁴ Section 310(d) prohibits the *de facto* transfer or control of a broadcast television license without Federal Communications Commission (FCC) consent.⁵ An FCC investigation is warranted in light of recent reports that the Department of Justice (DOJ) is investigating whether the sales teams of Sinclair and Tribune were improperly coordinating

¹ Justice Department Investigates TV Station Owners Over Advertising Sales, Wall Street Journal (July 26, 2018).

² See 47 U.S.C. § 310(d).

³ See 15 U.S. C. § 18a; see also 15 U.S.C. § 1.

⁴ 47 U.S.C § 310(d) ("No construction permit or station license, or any rights thereunder, shall be transferred, assigned, or disposed of in any manner, voluntarily or involuntarily, directly or indirectly . . . except upon application to the Commission.").

⁵ See e.g., Edwards, Memorandum Opinion and Order and Notice of Apparent Liability, FCC 01-336 (Rel. Dec. 10, 2001).

The Honorable Ajit V. Pai August 7, 2018 Page 2

regarding their advertising sales performance, resulting in higher rates.⁶ Moreover, Sinclair has a history of improperly exercising *de facto* control over stations it did not own, further supporting the need for review.⁷

This investigation should be conducted separate and apart from the questions recently designated for a hearing by the Commission as they are distinct issues and legal questions. Additionally, should the DOJ or FCC find that either Sinclair or Tribune engaged in illegal conduct during the pendency of their proposed transaction, such conduct may have a bearing on their ability to satisfy the FCC's character requirements for broadcast licensees. 9

We appreciate your attention to this important matter. Please provide an update regarding any and all FCC activity related to this request by August 28, 2018. Should you have any questions, please contact Gerald Leverich of the Democratic Committee staff at (202) 225-3641.

Sincerely,

Frank Pallone, Jr. Ranking Member

Ranking Member

Subcommittee on Communications

and Technology

⁶ Justice Department Investigates TV Station Owners Over Advertising Sales, Wall Street Journal (July 26, 2018).

⁷ See e.g., note 5.

⁸ Applications of Tribune Media, Hearing Designation Order, MB Docket No. 17-179, FCC 18-100 (Rel. July 19, 2018).

⁹ See 47 U.S.C. § 308.