SINCLAIR AGREES TO PAY $48 MILLION CIVIL PENALTY

FCC Penalty Will Be Largest Ever Paid by a Broadcaster

WASHINGTON, May 6, 2020—The Federal Communications Commission today announced the largest civil penalty involving a broadcaster in the agency’s 86-year history. Specifically, Sinclair Broadcasting Group has agreed to pay a $48 million civil penalty and abide by a strict compliance plan in order to close three open investigations. This penalty is twice the prior record for a broadcaster, which was the $24 million paid by Univision in 2007.

Specifically, the Consent Decree closes an investigation into the company’s disclosure of information relating to its proposed acquisition of stations owned by Tribune Media. The agreement also closes investigations into whether the company has met its obligations to negotiate retransmission consent agreements in good faith and its failure to identify the sponsor of content it produced and supplied to both Sinclair and non-Sinclair television stations.

“Sinclair’s conduct during its attempt to merge with Tribune was completely unacceptable,” said FCC Chairman Ajit Pai. “Today’s penalty, along with the failure of the Sinclair/Tribune transaction, should serve as a cautionary tale to other licensees seeking Commission approval of a transaction in the future. On the other hand, I disagree with those who, for transparently political reasons, demand that we revoke Sinclair’s licenses. While they don’t like what they perceive to be the broadcaster’s viewpoints, the First Amendment still applies around here.”

In December 2017, the Commission voted to propose a fine of over $13 million for failing to make the required disclosures for the paid programming, the largest fine it has ever proposed for a violation of sponsorship identification rules. The programming in question was broadcast more than 1,700 times, either as stories resembling independently generated news coverage that aired during the local news or as longer-form stories aired as 30-minute television programs without identifying the true sponsor of the content (the Huntsman Cancer Foundation). In the Consent Decree, Sinclair admits that its actions violated the Commission’s sponsorship identification rules.

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