

United States Senate

WASHINGTON, DC 20510

January 3, 2018

Makan Delrahim
Assistant Attorney General, Antitrust Division
U.S. Department of Justice
950 Pennsylvania Avenue NW
Washington, DC 20530

Dear Assistant Attorney General Delrahim:

In light of recent actions by the Federal Communications Commission (FCC) to weaken media ownership limitations, we write to urge the Department of Justice (DOJ) to closely scrutinize media mergers that fall within its jurisdiction, particularly Sinclair Broadcasting's proposed acquisition of Tribune Media.

On September 29, 2017, several of us discouraged Chairman Pai from further attempts to relax the FCC's media ownership standards without a thorough public review of the state of the broadcast marketplace. Our recommendations were ignored.

At its November Open Meeting, the FCC voted to significantly weaken regulations relating to competition in local media markets. The November vote followed recent FCC decisions to eliminate the Main Studio Rule and reinstate the UHF discount, which likely encouraged Sinclair and Tribune to enter into their merger and expand the universe of potential media transactions.

We agree with the sentiments expressed by FCC Commissioners Jessica Rosenworcel and Mignon Clyburn that by jettisoning these media rules without the collection and review of pertinent industry data, the FCC abdicated its responsibility to uphold the core values of localism, competition and diversity in broadcasting.¹ The FCC seems determined to continue on this troubling course, voting on December 14, along party lines, to begin a comprehensive review of the national television audience cap,² a cap set by Congress in 2004. The elimination of these rules will pave the way for further broadcast, radio, and print media consolidation in an increasingly concentrated economy.

¹ See Dissenting Statement of FCC Commissioner Jessica Rosenworcel, 2014 Quadrennial Regulatory Review - Review of the Commission's Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996 et al., FCC-17-156 (Nov. 20, 2017) available at <https://www.fcc.gov/document/fcc-modernizes-broadcast-ownership-rules-0/rosenworcel-statement>; Dissenting Statement of FCC Commissioner Mignon L. Clyburn, 2014 Quadrennial Regulatory Review - Review of the Commission's Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996 et al., FCC-17-156 (Nov. 20, 2017) available at <https://www.fcc.gov/document/fcc-modernizes-broadcast-ownership-rules-0/clyburn-statement>.

² Federal Communications Commission, News Release, *FCC Begins Comprehensive Review of National Television Ownership Cap* (Dec. 14, 2017), available at https://transition.fcc.gov/Daily_Releases/Daily_Business/2017/db1214/DOC-348268A1.pdf.

Under these circumstances, the need for the DOJ to conduct thorough, objective reviews of individual transactions in the media sector is greater than ever. Sinclair's proposed acquisition of Tribune is an example of the kind of media merger that raises obvious and troubling competitive issues. Sinclair Broadcasting is already the largest owner of local television stations in the country. A combined Sinclair/Tribune would own 233 television stations and reach 72 percent of American households, affecting tens of millions of consumers. The proposed Sinclair/Tribune merger is precisely the type of media transaction that deserves the highest level of scrutiny from the DOJ. Given the recent relaxation of regulations at the FCC, mergers of this size may become more common.

We urge the DOJ to conduct a thorough investigation of this and any subsequent media mergers and to take whatever enforcement action is warranted under applicable antitrust law. The relaxation of media regulations under Chairman Pai's leadership, in addition to disturbing allegations concerning his individual conduct relating to the Sinclair/Tribune transaction, have undermined our confidence that the FCC will conduct an impartial investigation into this proposed merger. To the extent that the FCC is currently incapable or unwilling to conduct an impartial review of the proposed Sinclair/Tribune merger, untainted by political considerations, we are relying on the DOJ to do so.

Deregulation in the media industry has heightened the need for thorough and impartial reviews of individual transactions. We urge the DOJ to redouble its efforts to investigate proposed media transactions and take action where competition or consumers would be harmed.

Thank you for your prompt attention to this request.

Sincerely,

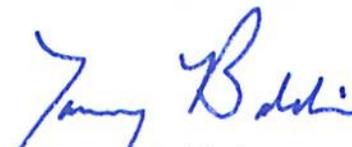

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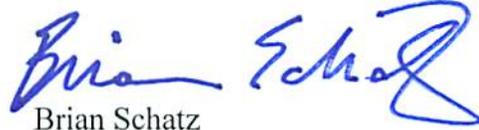

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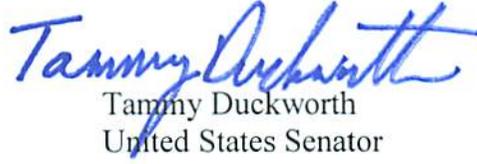
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