COALITION TO SAVE LOCAL MEDIA

November 2, 2017

Attorney General Xavier Becerra
Attorney General's Office
California Department of Justice
Attn: Public Inquiry Unit
P.O. Box 944255
Sacramento, CA 94244-2550

Attorney General Becerra:

We write to you today to highlight concerns the Coalition to Save Local Media has surrounding the competitive effects of the proposed merger of Sinclair Broadcasting and Tribune Media (together, the "Applicants"). This merger would result in higher prices and less choice for local content. In the face of these demonstrable harms, the Applicants have failed to provide evidence that this transaction will generate any cognizable benefits. For these reasons, among others, we believe this transaction must be denied.

The Coalition to Save Local Media is a diverse group of media organizations, distributors, independent networks, public interest groups, and allies that joined forces to stop the Sinclair-Tribune merger and protect independent and local news.

Our Coalition is nonpartisan and includes members on both sides of the aisle and companies that have previously been on opposite sides of regulatory fights: American Cable Association, A Wealth of Entertainment, Cinemoi, Common Cause, Competitive Carriers Association, the Computer and Communications Industry Association, DISH, ITTA – The Voice of America's Broadband Providers, Latino Victory Project, NTCA-The Rural Broadband Association, One America News Network, Public Knowledge, RIDE TV, the Sports Fans Coalition, and TheBlaze. Many other groups on all sides have also opposed this merger including NewsMax, Communications Workers of America, Free Press, Allied Progress, CREDO, IBEW, and others.

Today we write you a joint letter to voice our concerns.

The merger of Sinclair and Tribune will create the largest owner of local broadcast stations in the country.

> Sinclair-Tribune would reach 72 percent of American households, a substantial amount compared to the next-largest media companies: Nexstar, which reaches 39 percent of households; CBS, which reaches 38 percent of households; and FOX, which reaches 37 percent of households.

> Additionally, Sinclair-Tribune would operate 233 stations—substantially more than Nexstar's 155, Gray's 76, and Raycom's 50.
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> In California, if the proposed merger goes through, Sinclair would own 14 stations across nine markets including acquiring new stations in Los Angeles, San Diego, and Sacramento. In Reno, Eureka, and Chico, the combined company would own more than one "Big Four" station.

This merger is not in the interest of American consumers. Sinclair and Tribune have yet to demonstrate a single consumer benefit that would result from the merger. The truth is that as a result of this merger, consumers would have fewer choices for local content and be forced to pay higher prices. Sinclair has promised Wall Street that it will dramatically increase the retransmission consent fees that it charges to cable and satellite companies, and, as the Department of Justice has previously recognized in its work on prior mergers such as Nexstar-Media General, those higher costs will ultimately be borne by consumers. Additionally, Sinclair-Tribune would effectively control the market for certain broadcast equipment and impede deployment of broadband, limiting competition and choice for the distribution of content and broadband services nationwide, especially in rural areas.

Thus far, the Applicants have not explained how they plan to comply with the FCC's current media ownership rules if this transaction is approved. Just weeks ago, the top Sinclair executive said that the company did not plan to sell any local stations, even though the combined company would far exceed existing FCC ownership limits and violate well-established DOJ precedent. Sinclair-Tribune offers no specifics on how they will comply with the law.

The Applicants have also failed to answer serious questions raised by the FCC and other parties in this proceeding. And, Sinclair and Tribune have not come close to providing adequate justification that their merger would be in the public interest.

In addition, during oversight hearings and in direct letters, Members of Congress have asked pointed questions of the FCC and Sinclair-Tribune about this merger, and yet, many of these questions remain unanswered.

There are very serious issues surrounding the competitive effects of the Sinclair-Tribune transaction, and we urge the state of California to join DOJ's investigation into the merger.

Sincerely,

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President and CEO, Competitive Carriers Association

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