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ATTORNEY GENERAL MADIGAN URGES FCC TO DENY PROPOSED TRIBUNE-SINCLAIR MERGER

Madigan Urges FCC to Deny Massive Media Merger that Will Exceed the National Audience Reach Limit & Decrease Consumer Choices

Chicago — Attorney General Lisa Madigan today filed a petition urging the Federal Communications Commission (FCC) to deny the proposed merger between the Tribune Media Company (Tribune) and Sinclair Broadcast Group Inc. (Sinclair). Madigan argues the potential merger allows for increased consolidation that will decrease both consumer choices and the diversity of voices in the media marketplace.

Despite recent amendments to its merger agreement, the Tribune-Sinclair merger would still create the largest television broadcast company in the country. The merged company would own or operate over 200 stations nationwide with the ability to reach nearly 60 percent of U.S. television households, far above the 39 percent limit set by the Consolidated Appropriations Act of 2004 that took into account media landscape changes due to technology advances at the time.

"The massive Tribune-Sinclair merger contradicts the FCC's principles of diversity, localism and competition that ensure consumer choice in the marketplace," Madigan said. "I urge the FCC to deny the Tribune-Sinclair merger because it will result in the loss of diverse viewpoints on national and local television broadcasts."

Madigan was joined in filing the petition to deny the merger by Iowa Attorney General Tom Miller. Madigan and Miller point out in the petition that the proposed merger inappropriately relies on an outdated method known as the UHF Discount Rule for calculating national audience reach. That rule does not reflect the reality of today's technology and understates the audience reach of a UHF station by 50 percent. Following the transition of television signals from analog to digital in 2009, the technical justifications for the UHF Discount ceased to exist. As a result, companies that own UHF stations have the ability to reach more than 75 percent of U.S. television households, far above the statutory limit. The application of the outdated UHF discount to this merger would permit Tribune-Sinclair to fall under the national audience reach cap.

In part, the petition states:

"The proposed Sinclair-Tribune merger, if approved, would constitute the largest broadcast television ownership entity in the United States. This combined entity would reach nearly 70 million television viewers, constituting 58.77% of the national television audience, assuming certain stations are divested. Such unparalleled access by a single owner to more than half of the television viewing audience conflicts with federal law and would harm the public interest by reducing sorely needed competition, diversity, and localism in the broadcast television sphere."

In February, Madigan led a multistate group of attorneys general in filing comments with the FCC that called on the agency to abandon its proposal to weaken existing television ownership rules that prevent excessive consolidation. In November 2017, Madigan filed comments opposing the Sinclair-Tribune merger that relied on the use of the outdated UHF Discount.

Tribune and Sinclair filed their merger application in July 2017 and filed amendments in May. The FCC could make a final determination on the merger in several weeks. The Department of Justice's review of the merger and its antitrust implications is still pending.

A copy of the petition can be found [here](#).

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