

Description of Transaction

On July 28, 2013, the parties to the application, which include (i) Barbara B. Allbritton, individually (“BBA”), (ii) Robert L. Allbritton, individually (“RLA”), (iii) BBA and RLA as independent co-executors of the Estate of Joe L. Allbritton (the “Estate”), (iv) BBA and RLA as trustees of the Barbara B. Allbritton 2008 Marital Trust (the “2008 Marital Trust”), (v) RLA, Paul Bonner and John R. Allender as trustees of the Robert Lewis Allbritton 1996 Trust (the “1996 Trust” and, together with the Estate and the 2008 Marital Trust, each, a “Trust” and collectively, the “Trusts”), (vi) Allholdco, Inc., a Delaware corporation (“Allholdco” and, together with BBA, RLA, and the Trusts, each, a “Seller” and collectively, “Sellers”), who collectively own, directly and indirectly, 100% of the issued and outstanding capital of Charleston Television, LLC (“Charleston”) and Perpetual Corporation (“PPC” and collectively with Charleston, the “Acquired Companies”),¹ entered into a Purchase Agreement (the “Purchase Agreement”) with Sinclair Television Group, Inc. (together with its subsidiaries, “STG”) with respect to the transfer of control of the Acquired Companies.

To consummate the transactions contemplated in the Purchase Agreement, the parties hereto are filing a total of seven FCC Form 315 applications seeking the Commission’s consent to the transfer of control of the licenses of eight full-power television stations, and related auxiliary and other facilities (the “Allbritton Applications”).²

The television stations (“Allbritton Stations”) that are the subject of the Allbritton Applications are as follows.

Allbritton Stations

DMA	Station(s)	Community of License	Licensee	Transferee
Birmingham, AL	WCFT-TV	Tuscaloosa, AL	TV Alabama, Inc.	STG
Birmingham, AL	WJSU-TV	Anniston, AL	TV Alabama, Inc.	STG
Little Rock-Pine Bluff, AR	KATV(TV)	Little Rock, AR	KATV, LLC	STG
Washington, DC	WJLA-TV	Washington, D.C.	ACC Licensee, LLC	STG
Harrisburg, PA	WHTM-TV	Harrisburg, PA	Harrisburg Television, Inc.	STG
Tulsa, OK	KTUL(TV)	Tulsa, OK	KTUL, LLC	STG

¹ Charleston is the licensee of WCIV(TV), Charleston, South Carolina, FAC ID 21536. PPC, through its wholly-owned subsidiaries, controls the following licensee entities: ACC Licensee, LLC, licensee of WJLA-TV, Washington, DC, FAC ID 1051, Harrisburg Television, Inc., licensee of WHTM-TV, Harrisburg, Pennsylvania, FAC ID 72326, KATV, LLC, licensee of KATV(TV), Little Rock, Arkansas, FAC ID 33543 KTUL, LLC, licensee of KTUL(TV), Tulsa, Oklahoma, FAC ID 35685, TV Alabama, Inc., licensee of WCFT-TV, Tuscaloosa, Alabama, FAC ID 21258 and WJSU-TV, Anniston, Alabama, FAC ID 56642 and WSET, Incorporated, licensee of WSET-TV, Lynchburg, Virginia, FAC ID 73988.

² The parties are filing various applications on FCC Forms 603 and 312 for the assignment of certain wireless and earth station licenses.

DMA	Station(s)	Community of License	Licensee	Transferee
Roanoke, VA	WSET-TV	Lynchburg, VA	WSET, Incorporated	STG
Charleston, SC	WCIV(TV)	Charleston, SC	Charleston Television, LLC	STG

Multiple Ownership

As detailed above, STG proposes to acquire eight (8) full power television stations in seven markets. STG currently has attributable interests in the Birmingham, AL, Harrisburg, PA, and Charleston, SC Designated Market Areas (“DMAs”). Specifically, STG has attributable interests in WABM(TV) and WTTO(TV)³, both located in the Birmingham, Alabama DMA, WHP-TV⁴, located in the Harrisburg, Pennsylvania DMA, and WMMP(TV)⁵, located in the Charleston, South Carolina DMA. Under the Commission’s multiple ownership rules, STG may not, without a waiver of the Commission’s rules, acquire additional interests in the Birmingham, AL, Harrisburg, PA and Charleston, SC markets.

In order to comply with the multiple ownership rules, STG will take the following actions:

- (i) Birmingham, Alabama – STG will surrender the licenses of WCFT-TV and WJSU-TV to the Commission for cancellation and will retain WTTO(TV) and WABM(TV),⁶ together with its existing grandfathered time brokerage agreement with WDBB(TV) to permit CW service to continue to be provided to the western

³ STG, through its wholly owned subsidiaries, provides administrative and programming services to WDBB(TV), Bessemer, Alabama, through a grandfathered time brokerage agreement with a subsidiary of Cunningham Broadcasting, Inc. (“Cunningham”), pursuant to which WDBB(TV) retransmits the signal of WTTO(TV) to permit CW program service to be viewed in Tuscaloosa and the western portion of the Birmingham DMA (“WDBB TBA”). A copy of the WDBB TBA has previously been submitted to the Commission.

⁴ STG, through its wholly owned subsidiaries, provides administrative and programming services to WLYH-TV, Lancaster, Pennsylvania through a grandfathered time brokerage agreement with Nexstar Broadcasting, Inc. (the “WLYH TBA”). A copy of the WLYH TBA has previously been submitted to the Commission.

⁵ STG, through its wholly owned subsidiaries, also currently provides certain services to WTAT-TV, Charleston, South Carolina, through an agreement with a subsidiary of Cunningham (“WTAT Agreement”). STG and Cunningham have entered into an agreement to terminate the WTAT Agreement with respect to WTAT-TV, effective immediately upon the acquisition by STG of the license of television station WCIV(TV), Charleston, South Carolina. Cunningham and STG have also entered into an asset purchase agreement pursuant to which, upon termination of the WTAT Agreement with respect to WTAT, Cunningham will acquire certain assets held by STG in connection with the operation of WTAT (including, without limitation, certain equipment and the rights in certain programming and other contracts) and STG shall no longer provide any programming or other services to WTAT; provided that the parties will enter into a short term Transition Services Agreement, consistent with industry standards and to last no longer than 180 days, in order to manage a smooth transition, a copy of which is attached at Exhibit 15. In addition, STG has agreed to continue to sublease to Cunningham certain tower space and will enter into an agreement to lease to Cunningham certain transmission facility space and associated equipment on an arms-length basis. Upon termination of the WTAT Agreement with respect to WTAT, STG certifies that it will not have any sharing agreements with, or contingent financial interests in, WTAT-TV other than the temporary Transition Services Agreement, and the transmission facilities sublease and lease described above.

⁶ STG will also acquire LPTV station WBMA-LD, which STG will retain.

portions of the Birmingham market.⁷ In order to permit the public to continue to receive both ABC and MyNetwork programming, as well as the syndicated and news programming carried on WABM and on WCFT/WJSU throughout the Birmingham, AL market, STG will, subject to the necessary consents from the networks and other programmers, use the multicast capability of WABM(TV) to broadcast both the programming carried on WABM as well as the programming currently carried on WCFT/WJSU. The resulting Little Two/Big Four network multicast will comply with the principles set forth in the Commission's recent Notice of Proposed Rulemaking in MB Docket Nos. 14-50 et al. Moreover, the Birmingham transaction will comply with the Commission's Multiple Ownership Rules, meeting both the "Eight Voices" and "Top-Four" tests.⁸

- (ii) Charleston, South Carolina – STG will surrender the licenses of WCIV(TV) to the Commission for cancellation and will retain WMMP(TV). The WTAT Agreement with respect to WTAT will be terminated upon the consummation of the transactions contemplated hereunder and STG will have no sharing arrangement or contingent financial interest with respect to WTAT (see footnote 5 hereof with respect to a temporary, transitional services agreement to avoid loss of WTAT service during the transition to full independent operation and a transmission facilities lease and sublease). In order to permit the public to continue to receive both ABC and MyNetwork programming, as well as the syndicated and news programming carried on WMMP and on WCIV throughout the Charleston, SC market, STG will, subject to the necessary consents from the networks and other programmers, use the multicast capability of WMMP to broadcast both the programming carried on WMMP as well as the programming currently carried on WCIV. The resulting Little Two/Big Four network multicast will comply with the principles set forth in the Commission's recent Notice of Proposed Rulemaking in MB Docket Nos. 14-50 et al. Moreover, the Charleston transaction will comply with the Commission's Multiple Ownership Rules, meeting both the "Eight Voices" and "Top-Four" tests.
- (iii) Harrisburg, Pennsylvania - STG has entered into an asset purchase agreement to sell the licenses and other assets of WHTM-TV to Media General Operations, Inc. ("Media General") and is filing an application on Form 314 with the FCC with respect to that transaction.⁹ STG will retain WHP-TV, together with its grandfathered time brokerage agreement with respect to WLYH-TV pursuant to which WLYH-TV will continue to receive services from WHP-TV.

⁷ STG also anticipates that WDBB will retransmit the multicast stream of ABC programming from WABM(TV), maintaining good network reception in the western portions of the Birmingham DMA.

⁸ As shown in Exhibit 20 of the instant application, there are more than eight independent voices in the Birmingham DMA.

⁹ Media General will acquire WHTM-TV through an Exchange Accommodation Titleholder.

Request for Waiver

The transaction, as originally proposed 11 months ago, contemplated STG divestitures in the Birmingham, Charleston and Harrisburg DMAs. Those divestitures also included various joint sales agreements (“JSA”) and shared services agreements (“SSA”). The JSA and SSAs were proposed so that those stations could continue serving their communities of license without interruption. The impact of the Commission’s intervening rule changes included in the *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*, released April 15, 2014, mandating that JSAs are now attributable, requiring STG to modify the originally proposed structure.

WCFT-TV, WJSU-TV, WCIV(TV). As a consequence of the alternative proposal, and in connection with the multicasts in Birmingham and Charleston described above, STG will need to reach agreement with certain parties which provide programming to stations WCFT-TV, WJSU-TV and WCIV(TV) to permit their programming to be transferred to STG’s existing stations. STG will also need to confer with area MVPDs to ensure continued carriage of ABC programming in the Birmingham and Charleston markets exactly as such carriage exists today. To the extent that the instant proposal will result in a change in the channel lineup of local cable television systems, the system operators will need time to give the required thirty day advance notice of such changes to their subscribers. Moreover, because of the need to rescan over-the-air television receivers, STG believes it has an obligation to give the public as much advance notice as possible so that they can prepare for termination of operation of the three stations, and the move of their programming to STG’s existing stations.

The Commission may grant a waiver of its rules if (1) the underlying purpose of the rule would not be served or would be frustrated by application to the instant case, and that a grant of the requested waiver would be in the public interest; or (2) in view of unique or unusual factual circumstances of the instant case, application of the rule would be inequitable, unduly burdensome or contrary to the public interest, or (3) the applicant has no reasonable alternative.¹⁰ Due to the unique facts of this case, the duration of Commission review and with the goal of insuring an orderly transition of programming service, a temporary waiver of the multiple ownership rules would serve the public interest. Accordingly, STG seeks a temporary waiver of the Commission’s multiple ownership rule, 47 C.F.R. §73.3555, so that it may be permitted to continue to operate stations WCFT-TV, WJSU-TV and WCIV(TV) for a minimum of sixty (60) days after closing of the Allbritton transaction, at which time the operation of such stations would be terminated and such licenses would be surrendered to the Commission for cancellation. Therefore, STG requests that the Commission grant the pending Allbritton Applications and permit STG to close the transactions contemplated thereby, subject to the following condition with respect to WCFT-TV, WJSU-TV and WCIV(TV):

¹⁰ 47 C.F.R. § 1.3.

The Assignee shall, not later than [insert period of not less than 60 days] days from the date of consummation of the transfers authorized herein, surrender the licenses of television broadcast stations WCFT-TV, Tuscaloosa, AL, Fac. ID. No. 21258, WJSU-TV, Anniston, AL, Fac. ID. No. 56642, and WCIV(TV), Charleston, SC, Fac. ID No. 21536 to the Commission for cancellation.

WHTM-TV. The sale of WHTM-TV to Media General, a well-known independent broadcast entity, is in full compliance with the Commission's multiple ownership rules. Moreover, there will be no sharing or financial arrangements between Media General and STG that will survive the closing of the WHTM-TV sale.¹¹

Given the advanced date, STG recognizes that it will not be possible for the Commission to review and grant the application for assignment of the WHTM-TV license to Media General in time to permit grant of the Allbritton Applications by a date necessary to allow for a closing before July 27, 2014, the date when either party may terminate the Allbritton Purchase Agreement without cause. Sinclair anticipates that it will enter into a "Hold Separate Agreement" governing the operation of WHTM-TV during the period between consummation of the Allbritton acquisition and the assignment of the WHTM-TV license and assets to Media General, and this will insure that WHTM-TV will continue to be operated with its current staff, facilities and programming pending its sale to Media General. STG will preserve, maintain, and continue to operate WHTM-TV as an independent, ongoing, economically viable, competitive business, with management, sales and operations held separate, distinct and apart from those of STG's other operations. Accordingly, STG seeks a temporary waiver of the Commission's multiple ownership rule, 47 C.F.R. §73.3555, so that it may be permitted to continue to operate television station WHTM-TV until the consummation of the sale of WHTM-TV to Media General or until the transfer of the station into a divestiture trust as described below.

STG requests that the Commission grant the pending Allbritton Applications and permit STG to close the transactions contemplated thereby, subject to the following condition with respect to WHTM-TV:

The Assignee shall prosecute in good faith its pending long-form application on FCC Form 314 for Commission consent to the assignment of the WHTM-TV, Harrisburg, PA, Fac. ID. No 72326, license and associated assets to Media General Operations, Inc., FCC File No. _____, and promptly consummate such assignment upon grant of such application by the Commission. In the event that said application is dismissed or denied, the Assignee shall, within sixty days of the dismissal or denial of such application, file an application with the Commission seeking to assign

¹¹ Consistent with standard industry practice, in order to avoid a disruption of email and traffic operations, it may be necessary for STG and Media General to enter into a short term agreement permitting WHTM-TV to continue to use the STG server system until Media General is able to switch to its own server.

the license of WHTM-TV to a divestiture trust, which trust shall conform fully to then-prevailing Commission standards for such arrangements, and the trustee of which promptly shall seek to identify an independent third party buyer and to seek Commission consent to the assignment of the license and assets of WHTM-TV to such independent third party.

As amended, the transactions currently contemplated by the Allbritton Applications do not create any new attributable agreements or relationships, nor do they include any joint sales or shared services agreements. STG will terminate the WTAT Agreement with respect WTAT as of the closing of the transactions contemplated by the Allbritton Applications, will relinquish the licenses of WCFT-TV, WJSU-TV and WCIV(TV) within 60 days thereof, and will not have any sharing arrangement or contingent financial interests with any of those stations, and will divest its interests in WHTM-TV to Media General (or another qualified buyer).

A conditional grant of the Allbritton Applications would not create an adverse precedent. The transaction was entered into at a time when the Commission's rules and policies permitted the structure initially proposed, and there are only a few applications presently pending that would meet the same criteria. Moreover, STG anticipates that it will enter into a Consent Decree with the U.S. Department of Justice which will legally oblige it to assign the WHTM-TV license to an independent third party such as Media General, and a Hold Separate Agreement requiring it to maintain the independent management, programming, sales and operation of WHTM-TV. Under similar circumstances the Commission has granted waivers and conditional grants even where a potential buyer had yet to be identified. *See, e.g., In the Matter of Applications for Transfer of Control of WWBT, Inc., WBTB, Inc., and WCSC, Inc.*, Memorandum Opinion and Order, 23 FCC Rcd 4482, DA 08-523 (released March 25, 2008); *In re Application of NBC WVTM License Company (Assignor) and Media General Communications, Inc. (Assignee) for Consent to the Assignment of License for WVTM-TV, Birmingham, Alabama*, Memorandum Opinion and Order, 21 FCC Rcd 6805, DA 06-1257 (released June 23, 2006); *In the Matter of Applications for Transfer of Control of the Liberty Corporation to Raycom Media, Inc.*, Memorandum Opinion and Order, 21 FCC Rcd 244, DA 06-72 (released January 17, 2006); and *In the Matter of Applications for Consent to Transfer of Control from Shareholders of Belo Corp. to Gannett Co., Inc.*, Memorandum Opinion and Order, DA 13-2423 (released December 20, 2013).

Under the circumstances prompt action on the instant applications and the accompanying waiver requests is respectfully requested.

Pending Renewals

All of the above-referenced Allbritton Stations have applications pending before the Commission for renewal of license. This statement is submitted in furtherance of the Commission's policy permitting processing of multi-station transfer of control applications that involve a subset of stations with pending renewal applications where (1) no basic qualifications issues against the transferor and transferee were raised or, if raised, were resolved favorably, and (2) the transferee explicitly assents to standing in the stead of the transferor in any renewal

proceeding that is pending at the time of consummation of the transfer of control. STG hereby agrees to succeed to the position of the transferors of the Allbritton Stations with respect to any renewal applications that may be pending as of the consummation of the transactions described in the Allbritton Applications, consistent with the procedures set forth in *Shareholders of CBS Corporation*, 16 FCC Rcd 16072, 16072-73, ¶ 3 (2001).