

**May 14, 2018 Amendment to Comprehensive Exhibit**

On April 24, 2018, Applicants submitted an Amendment to the June Comprehensive Exhibit (the “April 24 Amendment”), setting forth certain stations to be divested (the “Divestiture Stations”) in connection with the merger (the “Transaction”) of Tribune Media Company (“Tribune”) with and into Sinclair Broadcast Group, Inc. (“Sinclair”). Applicants hereby further amend the Exhibit to (i) reflect that a purchase agreement has been entered into with Fox Television Stations, LLC (“Fox”) pursuant to which Applicants will divest stations in the following markets to Fox: San Diego, CA, Tacoma, WA, Cleveland, OH, Sacramento, CA, Salt Lake City, UT, Miami, FL, and Denver, CO, applications for which have been filed; (ii) reflect that Applicants have withdrawn the application to transfer control of KPLR-TV to Meredith Corporation; (iii) reflect that Applicants have filed applications to assign or transfer control of KPLR-TV and KDNL-TV in St. Louis to a divestiture trust pending approval by the Department of Justice, Antitrust Division (“DOJ”), of a proposed buyer for KPLR-TV or, if no buyer is approved for KPLR-TV, approval of a proposed buyer for KDNL-TV; (iv) provide a Top-Four showing for St. Louis in the event that KDNL-TV is the station to be divested in such market, rather than KPLR-TV; and (v) submit an updated Divestiture Station chart reflecting the divestitures identified above. See **Attachment I** hereto.

As noted above, Applicants have since withdrawn the Form 315 application for transfer of control of KPLR-TV, St. Louis, and have filed applications seeking Commission consent to place KPLR-TV and KDNL-TV in a divestiture trust (the “Divestiture Trust Applications”). As detailed in the Comprehensive Exhibit, Applicants will be required to divest one of these stations in order to comply with the Commission’s duopoly rule. Because DOJ has not yet approved a buyer for KPLR-TV (or, in the alternative, for KDNL-TV), Applicants are filing applications seeking consent to assign or transfer each of the stations to the trust pending completion of such review. Accordingly, once Applicants know which station will be divested, Applicants will, prior to grant, (i) amend the Divestiture Trust Applications to specify which station will be placed in the trust, and (ii) withdraw the Divestiture Trust Application for the station that will not be divested.<sup>1</sup> As a result, by the time the parties are ready to close the Transaction, they will assign or transfer to the trust only the station to be divested. The assignment or transfer to the trust will occur immediately prior to the closing of the Transaction.

It is the Commission’s longstanding precedent to permit divestiture trust arrangements in situations where a transaction involving multiple stations in multiple markets would result in a party exceeding the ownership caps in one or more markets.<sup>2</sup> Under this well-established

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<sup>1</sup> See *Entercom Communications Corp.*, Memorandum Opinion and Order, 32 FCC Rcd 9380 ¶ 16 (MB 2017); See also, *The E.W. Scripps Company*, Letter, 29 FCC Rcd 14870, DA 14-1824 (MB 2014).

<sup>2</sup> See, e.g., *Entercom Communications Corp.*, Memorandum Opinion and Order, 32 FCC Rcd 9380 (MB 2017); *The E.W. Scripps Company*, Letter, 29 FCC Rcd 14870, DA 14-1824 (MB 2014); *Letter from Peter H. Doyle, Chief, Audio Division, to Howard M. Liberman, Esq. and Richard A. Helmick, Esq.*, Ref. 1800B3-TH (MB Nov. 8, 2013); *Cumulus Media, Inc.*,

Commission precedent, a beneficiary's ownership interest is not attributable to the beneficiary if it is properly insulated to prevent the exercise of control or influence over the trustee.<sup>3</sup> The Commission has set out certain standards for properly insulated trusts.<sup>4</sup> By complying with the Commission's attribution insulation standards, the trust is properly insulated from Sinclair's influence in accordance with Commission precedent and the Trust Agreement is identical in all material respects to prior trust agreements that the Commission has recently approved.<sup>5</sup>

Sinclair currently owns KDNL-TV, an ABC affiliate, and Tribune owns KTVI, a Fox affiliate, and KPLR-TV, a CW affiliate. As set forth in the April 24 Amendment, as of the date the applications for the Transaction were filed, KTVI and KPLR-TV were both Top-Four stations.<sup>6</sup> In the event that the DOJ requires that Sinclair divest KDNL-TV instead of KPLR-TV, Sinclair will acquire KPLR-TV. The Commission should permit continued common ownership of KTVI and KPLR-TV pursuant to Section 73.3555(b)(2) of its rules for many of the same reasons set forth in the April 24 Amendment with respect to the combination of KTVI and KDNL-TV.<sup>7</sup> KTVI is the third-ranked station and KDNL-TV and KPLR-TV alternate between fourth and fifth in audience share, often with very little distinction between them. As set forth in the April 24 Amendment, KPLR-TV was a mere 0.019 % ahead of KDNL-TV when the applications for the Transaction were filed and, for the two months preceding the filing of this Amendment, KPLR-TV was ranked fifth. KTVI and KPLR-TV do not have an outsized presence in terms of revenues either, ranking third and fifth according to BIA Kelsey and SNL Kagan estimates. Further, the long-standing common ownership of KTVI and KPLR-TV has generated tangible benefits for the residents of the St. Louis DMA. Preservation of this historical combination would not change the competitive landscape in the market, but would simply maintain the status quo, which has consistently served the public interest in the St. Louis DMA. Simply put, there is no reason to believe that continued common ownership of the stations by Sinclair would introduce any competitive concerns to this market.

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Memorandum Opinion and Order, 26 FCC Rcd 12956 (MB 2011); *Clear Channel Communications, Inc.*, Memorandum Opinion and Order, 23 FCC Rcd 1421 (2008).

<sup>3</sup> See *Shareholders of AMFM, Inc.*, 15 FCC Rcd 16062, 16072-73 (2000); see also *Shareholders of American Radio Systems Corp.*, 13 FCC Rcd 12430, 12441 (1998).

<sup>4</sup> See 47 C.F.R. § 73.3555, note 2(d); *Attribution of Ownership Interests*, 97 FCC 2d 997, 1023-24 (1984), *recon. granted in part*, 58 RR 2d 604 (1985), *further recon. granted in part*, 1 FCC Rcd 802 (1986). The relationship between Sinclair, the trustee and the trust will be governed by the Engagement Agreement and the Trust Agreement, copies of which were filed with the Divestiture Trust Applications. The trustee for the trust will be Richard Foreman, a respected long-time media broker who has no personal, familial or extra-trust business relationship with Sinclair or its affiliates.

<sup>5</sup> See, e.g., FCC File Nos. BALH-20160802ADT; BALH-20141219AEY; *Entercom Communications Corp.*, Memorandum Opinion and Order, 32 FCC Rcd 9380 (MB 2017).

<sup>6</sup> See April 24 Amendment at Exhibit A.2.

<sup>7</sup> See *id.*

*a. Ratings Share and Revenue Share Data*

The same ratings share data and revenue share data submitted with the April 24 Amendment for the contingent KTVI/KDNL-TV Top-Four Showing support the combined ownership of KTVI and KPLR-TV.<sup>8</sup> As detailed in Section II.B.2 of the April 24 Amendment, there is little difference between the fourth and fifth-ranked stations in this DMA, and the stations switched places thirteen times (based on 9 a.m. – midnight monthly data) over the 2014-2017 period.<sup>9</sup> The Commission has suggested that the Top-Four Prohibition may not be warranted where there is no “significant ‘cushion’ of audience share percentage points that separates the top four stations from the fifth ranked stations” that would warrant a “bright-line” between the third and fourth stations and the rest of the stations in this DMA.<sup>10</sup> In terms of revenue share, both SNL Kagan and BIA Kelsey 2016 estimates rank KPLR-TV fifth in the DMA in terms of both advertising revenue and total revenues (advertising + retransmission consent).<sup>11</sup> The KTVI/KPLR-TV combination also faces the same strong competition from cable and satellite for viewers and advertising dollars as detailed in the KTVI/KDNL-TV showing.<sup>12</sup> As such, continued common ownership of KTVI and KPLR-TV will serve to maintain current levels of competition with cable and satellite TV.

As a result, reauthorizing common ownership of KTVI and KPLR-TV will not “result in a single firm’s obtaining a significantly larger market share than other stations and reduced incentives for commonly owned local stations to compete for programming, advertising, and audience shares.”<sup>13</sup> Far from giving Sinclair dominance in the DMA, continued common ownership of KTVI and KPLR-TV would preserve competition with Meredith and TEGNA, incentivizing all stations to put out the best and most reliable products.

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<sup>8</sup> See *id.* at Exhibits A.2, B.2, C.2, D.2, F.2, G.2, H.2, and I.2.

<sup>9</sup> *Id.* at Exhibit B.2.

<sup>10</sup> 2014 Quadrennial Regulatory Review – Review of the Commission’s Broadcast Ownership Rules *et al.*, Order on Reconsideration and Notice of Proposed Rulemaking, 2017 WL 5623028, MB Docket Nos. 14-50 *et al.* (rel. Nov. 20, 2017) (“*Reconsideration Order*”) ¶ 79, n. 230.

<sup>11</sup> April 24 Amendment at Exhibit F.2.

<sup>12</sup> *Id.* at Exhibit D.2 (showing that cable TV had an approximately 60% audience share of TV households in the DMA when the Applications were filed); *id.* at F.2 and G.2 (showing that cable captured 27.4% of the 2016 local advertising revenue in the DMA, and that the 2016 local advertising share for a KTVI/KPLR-TV combination (25%) is virtually identical to the KTVI/KDNL combination (25.4%).).

<sup>13</sup> *Reconsideration Order* ¶ 79, n. 230.

***b. Market Characteristics and Other Circumstances Impacting the Market and Effects on Programming Meeting the Needs and Interest of the Community***

Market characteristics of the St. Louis DMA which were described in the April 24 Amendment equally support the combination of these stations. Further, the lack of harm that would be caused by common ownership of KTVI and KPLR-TV is evident from the fact that Tribune has owned this combination of stations for almost five years and has programmed these stations for almost ten years, without any allegations of harm to competition or diversity in programming.<sup>14</sup> Reauthorization of this combination will not reduce the number of independent TV voices in the St. Louis DMA, or otherwise reduce competition in the market. Rather, continued common ownership of KTVI and KPLR-TV will continue to serve the public interest under Sinclair, just as it has historically under Tribune.

Under Tribune's ownership, KTVI and KPLR-TV have served viewers throughout the St. Louis DMA with news and public affairs programming that is complementary and additive, rather than duplicative. KTVI and KPLR-TV collectively produce 85 hours of news programming per week: 68 hours per week on KTVI and 17 hours per week on KPLR-TV. Furthermore, and reflecting the complementary nature of the stations' programming, viewers benefit from a choice of news "homes" throughout the day: KTVI airs 7 hours of news before noon, followed by a noon newscast on KPLR-TV. Then news is back on the air on KPLR-TV at 4:00 PM, followed by a 5:00-7:00 PM news block on KTVI, followed in turn by a 7:00-8:00 PM news hour on KPLR-TV. KTVI wraps the night with news from 9:00 to 10:30 PM and again from 11:00 to 11:30 PM. To be clear: these are neither repurposed nor duplicative newscasts. Viewers benefit from updates on ongoing stories presented earlier, and fresh content in later newscasts; indeed, special news reports on KTVI often evolve into long-form public affairs programs on KPLR-TV. And of course both stations provide coverage of breaking news and weather. Significantly, KTVI's 7:00 - 10:00 AM, 11:00 AM - 12 Noon, 5:30 - 6:00 PM, 6:30 - 7:00 PM and 11:00 - 11:30 PM newscasts are unduplicated in the market—that is, no other station in the market is airing news during those time periods. Similarly, there is no other local news in the market during KPLR-TV's 4:30 - 5:00 PM and 7:00 - 8:00 PM newscasts. Indeed, as part of their effort to inform and support viewers throughout the St. Louis market, KTVI and KPLR-TV invite viewers to switch from one station to the other to ensure they have access to continuing coverage of breaking events. The combined resources of KTVI and KPLR-TV also have allowed KPLR-TV to present public affairs programming that would likely not otherwise be feasible on a CW affiliate.<sup>15</sup> Common ownership of KTVI and KPLR-TV also has produced operational efficiencies that enhance the stations' ability to produce the intensive news and public affairs schedules described above. Thus, for example, the stations share subject-matter

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<sup>14</sup> Tribune provided programming and sold advertising on these stations pursuant to a local marketing agreement beginning in 2008, before purchasing the stations in 2013.

<sup>15</sup> For example, each Saturday KPLR-TV presents "The Pulse of St. Louis," a program devoted to current issues of local importance to the St. Louis community hosted by one of KTVI's news anchors.

expert reporters and some anchors. Sinclair plans to continue' Tribune's commitment to a strong news presence in the DMA.

In sum, permitting Sinclair to continue common ownership of KTVI and KPLR-TV will not cause any competitive or other public interest harm in the DMA but will instead maintain the status quo—preserving a station combination that has served the community well since 2013 and that will continue to promote a highly competitive market and serve the public interest. The stations' combined audience and revenue shares do not now give Tribune, and would not give Sinclair, an outsized presence in the market relative to its broadcast or cable competitors. Because Sinclair's common ownership of these stations would not reduce competition in this DMA and would continue to serve the public interest, convenience, and necessity, the Commission should permit common ownership of KTVI and KPLR-TV under Section 73.3555(b)(2) of the rules.

## **ATTACHMENT I**

### **Updated Divestiture Station List**

#### **Sinclair Stations**

<b>Call Sign<sup>16</sup></b>	<b>Community of License</b>	<b>FAC ID</b>	<b>Licensee</b>	<b>Proposed Assignee</b>	<b>File No.</b>
KOKH-TV*	Oklahoma City, OK	35388	KOKH Licensee, LLC	Standard Media Oklahoma City License LLC	BALCDT-20180430ACV
KUNS-TV*	Bellevue, WA	4624	Sinclair Seattle Licensee, LLC	HSH Bellevue (KUNS) Licensee, LLC <sup>17</sup>	BALCDT-20180426ABR
KMYU(TV)*	Salt Lake City	35822	KUTV Licensee, LLC	HSH St. George (KYMU) Licensee, LLC	BALCDT-20180426ABQ
WXLV-TV*	Greensboro,	414	WXLV Licensee, LLC	Standard Media Greensboro License LLC	BALCDT-20180430ADA
WRLH-TV*	Richmond, VA	412	WRLH Licensee, LLC	Standard Media Richmond License LLC	BALCDT-20180430ACY
KDSM-TV*	Des Moines, IA	56527	KDSM Licensee, LLC	Standard Media Des Moines License LLC	BALCDT-20180430ACU
KDNL-TV**	St. Louis, MO	56524	KDNL Licensee, LLC	Sinclair Divestiture Trust	BALCDT-20180514ABW

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<sup>16</sup> Stations marked with a \* will be divested immediately after consummation of the Transaction. Stations marked with a \*\* will be divested immediately prior to consummation of the Transaction.

<sup>17</sup> HSH Bellevue (KUNS) Licensee, LLC, HSH St. George (KYMU) Licensee, LLC, and HSH OK City (KAUT) Licensee, LLC are subsidiaries of Howard Stirk Holdings, LLC.

Tribune Stations

Call Sign	Community of License	FAC ID	Licensee	Proposed Assignee	File No.
KSWB-TV**	San Diego, CA	58827	KSWB, LLC	Fox Television Stations, LLC	BALCDT-20180514ABC
KCPQ(TV)**	Tacoma, WA	33894	Tribune Broadcasting Seattle, LLC	Fox Television Stations, LLC	BALCDT-20180514AAU
WJW(TV)**	Cleveland, OH	73150	WJW License, LLC	Fox Television Stations, LLC	BALCDT-20180514ABB
KTXL(TV)**	Sacramento, CA	10205	KTXL, LLC	Fox Television Stations, LLC	BALCDT-20180514ABA
KSTU(TV)**	Salt Lake City, UT	22215	KSTU License, LLC	Fox Television Stations, LLC	BALCDT-20180514ABF
WSFL-TV**	Miami, FL	10203	WSFL, LLC	Fox Television Stations, LLC	BALCDT-20180514AAZ
KDVR(TV)** KFCT(TV)** <sup>18</sup>	Denver, CO	126 125	Tribune Broadcasting Denver License, LLC	Fox Television Stations, LLC	BALCDT-20180514ABD
KAUT-TV*	Oklahoma City, OK	50182	Tribune Broadcasting Oklahoma City License, LLC	HSH OK City (KAUT) Licensee, LLC	BALCDT-20180426ABP
KDAF(TV)*	Dallas, TX	22201	KDAF, LLC	Dallas (KDAF-TV) Licensee, Inc. <sup>19</sup>	BALCDT-20180427ABL
KIAH(TV)*	Houston, TX	23394	KIAH, LLC	Houston (KIAH-TV) Licensee, Inc.	BALCDT-20180427ABM
WXMI(TV)*	Grand Rapids, MI	68433	WXMI, LLC	Standard Media Grand Rapids License LLC	BAL-20180430ADB
WPMT(TV)*	York, PA	10213	WPMT, LLC	Standard Media	BALCDT-20180430ACX

<sup>18</sup> Operates as a satellite of KDVR and will be sold together with KDVR.

<sup>19</sup> Dallas (KDAF-TV) Licensee, Inc. and Houston (KIAH-TV) Licensee, Inc. are subsidiaries of Cunningham Broadcasting Corporation.

Call Sign	Community of License	FAC ID	Licensee	Proposed Assignee	File No.
				Harrisburg License LLC	
WGN-TV**	Chicago, IL	72115	WGN Continental Broadcasting Company, LLC	WGN TV LLC	BALCDT-20180227ABD
KPLR-TV**	St. Louis, MO	35417	KPLR, Inc.	Sinclair Divestiture Trust <sup>20</sup>	BTCCDT-20180514ABV

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<sup>20</sup> The application to divest KPLR-TV was filed on an FCC Form 315 Application for Consent to Transfer Control of KPLR, Inc.