

## NATIONAL

# Sinclair bid to buy Tribune collapses after 'sham' filing with the FCC

Sinclair Broadcast Group's proposed buyout of Tribune Media is dead. The \$3.9 billion deal — which was strongly opposed by broadcast unions IATSE and NABET-CWA — would have made the nation's biggest TV station owner even bigger by adding Tribune's 42 stations to Sinclair's 173. The acquisition plainly violated Federal Communication Commission (FCC) rules that bar any company from owning stations that reach more than 39 percent of the American public. [A merged Sinclair-Tribune would reach 72 percent.] Earlier this year, it seemed like Trump-appointed FCC chair Ajit Pai was doing everything possible to engineer FCC approval of the acquisition, even changing a rule to count only half the audience of some Sinclair stations. Even after that, the proposed Sinclair-Tribune combination would be 6 percent over the limit. To squeeze through, Sinclair promised to sell off some stations.

But when FCC administrators dug into the details, it turned out Sinclair was trying to pull a fast one. WGN in Chicago was to be

sold to a longtime business partner of Sinclair board chair David Smith. Stations in Dallas and Houston were to be sold to a company controlled by Smith's mother's estate. And the sales included agreements that Sinclair would continue to manage the sold stations, and buy them back for the same amount if FCC later changed its ownership limiting rule. On July 16, FCC administrators called Sinclair's sell-off plans a "sham" and told the company to prove its claims to a judge.

That basically killed the merger. On Aug. 9, Tribune announced it was pulling out of the deal and filing a \$1 billion lawsuit against Sinclair, saying its "misconduct" with the FCC spoiled chances of the deal getting approved.

Unions at Sinclair and Tribune had opposed the merger because of the jobs that would be lost in consolidation and because of Sinclair's record of replacing local news with national content. Sinclair has become infamous in recent years for requiring local TV news programs to air nation-

ally-produced conservative commentary segments. Many of these "must-runs" feature comment from Boris Epshteyn, who was senior adviser to Donald Trump's 2016 presidential campaign. They air on all Sinclair stations, including Portland's KATU and Seattle's KOMO.

IATSE Local 600 tried but failed in contract bargaining to get Sinclair to commit to keep local TV news operations open. After going two and a half years without a union contract or a raise, IATSE-represented TV camera operators at KATU voted 14 to 8 this March to accept Sinclair's contract offer. Their agreement runs through March 2021.

Sinclair's legal problems are mounting. Sinclair was fined a record \$13.3 million by the FCC last December for airing over 1,700 paid commercials that were designed to look like news broadcasts. And an Aug. 1 lawsuit filed by advertisers accuses Sinclair, Tribune, Tegna, Hearst, Nexstar and Media Gray Television of colluding to fix the rates TV stations charge for advertising airtime.



Members of IATSE Local 600 held a Jan. 27 rally outside KATU in Portland to warn the public of Sinclair's plans to reduce the quality of local television news.

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