



October 10, 2017

Mr. Evan Viau
Legislative Clerk
Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, DC 20515
Evan.Viau@mail.house.gov

Dear Mr. Viau,

Competitive Carriers Association (“CCA”) appreciates the opportunity to testify before the House Energy and Commerce Committee’s Subcommittee on Communications and Technology on September 7, 2017, at the hearing entitled “The Broadcast Incentive Auction: Update on Repacking Opportunities and Challenges.” Per your letter dated September 25, 2017, attached please find CCA’s responses to additional questions for the record. Thank you, again, for this opportunity.

Respectfully submitted,

/s/ Rebecca Murphy Thompson

Rebecca Murphy Thompson
EVP & General Counsel
Competitive Carriers Association

Attachment

“The Broadcast Incentive Auction: Update on Repacking Opportunities and Challenges”

United States House of Representatives Committee on Energy and Commerce

Subcommittee on Communications and Technology

Responses of Rebecca Murphy Thompson

Executive Vice President & General Counsel

Competitive Carriers Association

Additional Questions for the Record

The Honorable Tony Cárdenas

1. This hearing is in many ways about the future of broadcasting and access to spectrum for our broadband future. There is one company in particular that has a huge impact on this issue but is not here today. That company, Sinclair Broadcasting, is seeking approval for a merger that would give them dominant access to 72% of American homes, through local stations.

Right now these local stations produce and distribute local content, covering local sports and local news. They have local news anchors that in many cases have been part of the community for years and are a trusted source for Americans, Republican and Democrat, that turn to them for news they can trust.

Sinclair has a history of taking over local stations and gutting them. By taking over local stations that serve 72% of homes, they could dramatically alter the local content that 72% of homes receive, replacing it with their own Baltimore-created, One-size-fits-all content.

Sinclair is already the largest owner of television stations; they also are already the owner of the largest and most important supplier of antennas and related equipment crucial in this repack.

And yet, this Committee has not scheduled a hearing on the impact of this Sinclair/Tribune transaction on the issues we are discussing today and so many other issues that are within this Committee's jurisdiction.

- a. Though broadcasters by and large are hoping that the repacking process goes smoothly and is completed by the deadline, do you believe that an extraordinarily powerful broadcaster like Sinclair would have motive and/or ability to delay the repacking process?

Sinclair has the motive and the ability to delay the repacking process, and these concerns are not theoretical. In fact, Sinclair has already delayed the auction and repack through their unsuccessful federal court appeal of the 39-month transition timeline. Sinclair also has repeatedly advocated before the Federal Communications Commission (FCC) to delay the repack timeframe.

Sinclair has actively advocated for a transition in the broadcast industry to ATSC 3.0, a new standard for broadcasting that could combine broadband capabilities with traditional over-the-air broadcasting. That standard is not yet complete, manufacturers cannot yet build compatible transmitters, and device

manufacturers do not include chipsets capable of receiving ATSC 3.0 or how inclusion could impact form factor, battery life, or customer experience. Delaying the repack could allow remaining broadcasters such as Sinclair to deploy ATSC 3.0 at the same time as they transition to a new station, which would largely shift the burden of this technological expense to American taxpayers. Further, delays could prevent wireless carriers from deploying the latest mobile broadband services, including capabilities that ATSC 3.0 aspires to provide. Consumers should not suffer from delayed access to the 600 MHz spectrum band for mobile broadband services because an extremely powerful broadcaster has aspirations of deploying a not-yet complete technology.

Additionally, Sinclair is a vertically integrated company, as it owns Dielectric, the largest manufacturer of broadcast antenna equipment in the United States. Acquiring Tribune, a major purchaser of broadcast antenna equipment, provides more market power to Dielectric, and would likely set back Tribune's pre-merger efforts to acquire equipment for the repack from other sources. By controlling such a dominant market share of equipment manufacturing capability, Sinclair also could impose delays or raise costs for other broadcasters that wish to swiftly complete the repacking process.

2. Could you explain the impact that a corporation of the size of Sinclair (should its merger with Tribune go through) might have on the repacking process?

Sinclair CEO Christopher Ripley himself has acknowledged that approval of the proposed transaction would make Sinclair "the largest broadcast group by a country mile." In addition to violating existing FCC rules and failing to demonstrate how such a transaction would benefit the public interest, if the Sinclair-Tribune transaction is approved as contemplated, its sheer size could disrupt repacking the 600 MHz band and impose opportunity and economic costs on consumers and the economy.

Sinclair's acquisition of Tribune would deprive competitive carriers of other large, independent broadcasters that may be willing to cooperate and quickly transition out of the 600 MHz band. Additional delays by Sinclair in any one of Tribune's 42 markets would have nationwide ramifications on the overall pace of the repacking process. Because of "daisy chain" issues, where repacking one or more broadcasters in a region impacts broadcasters in neighboring regions, delays in any market have negative impacts that threaten to drag the pace of the repack to a halt.