



Nancy Pelosi
Democratic Leader

April 19, 2017

Mr. Ajit Pai
Chairman
Federal Communications Commission
445 12th Street, Southwest
Washington, DC 20554

Dear Chairman Pai:

We are writing regarding our very serious concerns about the upcoming vote to restore the UHF Discount Loophole and the negative impact that would have on consumers. Until recently, the FCC counted a UHF station viewership reach half as much as a VHF station in the same community for the purposes of determining whether a broadcaster's nationwide holdings met the ownership cap. But after the transition to digital television, UHF stations are just like VHF stations -- except when it comes to the media ownership rules so vital to our democracy. The UHF Loophole defies logic:

- As you have said before, there is no technical justification for treating UHF stations differently from VHF stations.
- You have also said that you want to restore the loophole now so you can review it again later in conjunction with a proposal to likely increase the nationwide ownership cap.
- But as you know, the FCC cannot legally adjust the nationwide ownership cap because Congress set in statute that broadcasters could not own stations reaching more than 39% of the nationwide viewing audience and removed consideration of the cap from the FCC's Quadrennial Media Ownership Review.

There is no justification for the FCC to restore the UHF Loophole. The UHF Loophole is unfair to the public because it treats UHF stations differently only for one purpose -- to let big station conglomerates own more stations across the country.

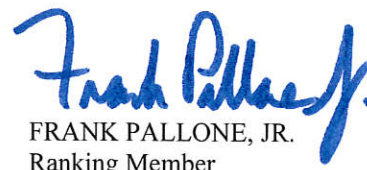
We are concerned, in part, because of press accounts that Sinclair is waiting for the UHF Loophole to be restored so it can buy Tribune Broadcasting's stations. Without the phony math created by the UHF Loophole, that transaction would increase its audience share beyond the statutory 39% cap. That would be bad news for consumers in Tribune's markets in two ways: first, consumers would lose an independent voice in their media market; and second, consumers could see their cable bills go up because Sinclair charges cable operators more than Tribune for retransmission consent.¹

Existing Commission rules allow it to promote minority media ownership and programming for diverse communities. The Commission should exercise that authority with a scalpel, not with the blunt, illogical and anti-consumer instrument of the UHF Loophole.

For those reasons, we urge you to reject the reopening the UHF loophole, and instead explore ways to promote minority media ownership and diversity of programming on our airwaves, which truly meet that goal. Thank you for your consideration of these concerns, which are shared by many of our colleagues in the Congress.

best regards,


NANCY PELOSI
Democratic Leader


FRANK PALLONE, JR.
Ranking Member
Committee on Energy and
Commerce

Cc: Commissioner Mignon Clyburn
Commissioner Mike O'Reilly

¹ "Sinclair is close to buying all of Tribune's TV stations" Claire Atkinson and Josh Kosman, *New York Post*, March 14, 2017
<http://nypost.com/2017/03/14/sinclair-tribune-merger-would-surpass-fcc-ownership-rules/>