JUSTICE NEWS

Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE Tuesday, November 13, 2018

Justice Department Requires Six Broadcast Television Companies to Terminate and Refrain From Unlawful Sharing of Competitively Sensitive Information

Proposed Settlement Preserves Competition in Broadcast Television Advertising Markets Across the United States and Requires Cooperation in Ongoing Antitrust Division Investigation

The Department of Justice announced today that it has reached a settlement with six broadcast television companies — Sinclair Broadcast Group Inc.; Raycom Media Inc.; Tribune Media Company; Meredith Corporation; Griffin Communications; and Dreamcatcher Broadcasting LLC — to resolve a Department lawsuit alleging that the companies engaged in unlawful agreements to share non-public competitively sensitive information with their broadcast television competitors.

The Justice Department's Antitrust Division filed a civil antitrust lawsuit today in the U.S. District Court for the District of Columbia to challenge the unlawful exchange of competitively sensitive information among these six broadcast television companies, their sales representatives, and other broadcast television groups. At the same time, the Department filed proposed settlements that, if approved by the court, would resolve the lawsuit's alleged competitive harm alleged in the complaint.

"The unlawful exchange of competitively sensitive information allowed these television broadcast companies to disrupt the normal competitive process of spot advertising in markets across the United States," said Assistant Attorney General

Makan Delrahim of the Justice Department's Antitrust Division. "Advertisers rely on competition among owners of broadcast television stations to obtain reasonable advertising rates, but this unlawful sharing of information lessened that competition and thereby harmed the local businesses and the consumers they serve."

According to the complaint, the six broadcast television companies agreed in many metropolitan areas across the United States to exchange revenue pacing information, and certain defendants also engaged in the exchange of other forms of non-public sales information in certain metropolitan areas. Pacing compares a broadcast station's revenues booked for a certain time period to the revenues booked in the same point in the previous year. Pacing indicates how each station is performing versus the rest of the market and provides insight into each station's remaining spot advertising for the period.

By exchanging pacing information, the broadcasters were better able to anticipate whether their competitors were likely to raise, maintain, or lower spot advertising prices, which in turn helped inform the stations' own pricing strategies and negotiations with advertisers. As a result, the information exchanges harmed the competitive price–setting process.

The proposed settlement prohibits the direct or indirect sharing of such competitively sensitive information. The Department has determined that prohibiting this conduct would resolve the antitrust concerns raised as a result of the conduct of these defendants. The proposed settlement further requires defendants to cooperate in the department's ongoing investigation, and to adopt rigorous antitrust compliance and reporting measures to prevent similar anticompetitive conduct in the future. The settlement has a seven year term, and it will continue to apply to stations currently owned by defendants, even if those stations are acquired by another company.

Sinclair Broadcast Group Inc., a Maryland corporation with headquarters in Hunt Valley, Maryland, owns or operates 130 television stations across 87 markets. In 2017, it reported revenue in excess of $2.7 billion.

Tribune Media Company is a Delaware corporation; its headquarters are in Chicago, Illinois. It owns or operates 41 television stations in 31 markets and had over $670 million in revenue in 2017.

Raycom Media Inc., a Delaware corporation, has its principal place of business in Montgomery, Alabama. It owns or operates 55 television stations in 43 markets

and had over $670 million in revenue in 2017.

Meredith Corporation, an Iowa corporation, has its principal place of business in Des Moines, Iowa. It owns or operates 17 television stations in 12 markets and had over $1.7 billion in revenue in 2017.

Griffin Communications is an Oklahoma corporation; its principal place of business is in Oklahoma City, Oklahoma. It owns or operates four television stations in two markets and exceeded $60 million in revenue in 2017.

Dreamcatcher Broadcasting, LLC, a Delaware corporation, has its headquarters in Santa Monica, California. It owns or operates three television stations in two markets and had over $50 million in revenue in 2017.

As required by the Tunney Act, the proposed settlement, along with the department's competitive impact statement, will be published in the *Federal Register*. Any person may submit written comments concerning the proposed settlement within 60 days of its publication to Owen Kendler, Chief, Media, Entertainment, and Professional Services Section, Antitrust Division, U.S. Department of Justice, 450 Fifth Street, N.W., Suite 8700, Washington, D.C. 20530. At the conclusion of the 60-day comment period, the court may enter the final judgment upon a finding that it serves the public interest.

Attachment(s):

Download PFJ - Tribune
Download Stipulation and Order - Sinclair
Download Competitive Impact Statement
Download Stipulation and Order - Tribune
Download Stipulation and Order - Meredith
Download PFJ - Dreamcatcher
Download Stipulation and Order - Dreamcatcher
Download PFJ - Griffin
Download PFJ - Raycom
Download Stipulation and Order Griffin
Download PFJ - Meredith
Download Stipulation and Order - Raycom
Download PFJ - Sinclair

Topic(s):

Antitrust

Component(s):
Antitrust Division

Press Release Number:
18-1493

Updated November 13, 2018