



# Department of Justice

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TUESDAY, JULY 15, 2014  
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**JUSTICE DEPARTMENT AND THE PENNSYLVANIA OFFICE OF ATTORNEY  
GENERAL REQUIRE DIVESTITURE FROM SINCLAIR BROADCAST GROUP IN  
ORDER TO PROCEED WITH ITS ACQUISITION OF PERPETUAL CORP.**

*Divestiture Will Preserve Broadcast Television Competition in  
Parts of Central Pennsylvania*

WASHINGTON – The Department of Justice announced today that it will require Sinclair Broadcast Group and Perpetual Corp. to divest their interests in WHTM-TV, an ABC affiliate in Harrisburg, Pennsylvania, in order to proceed with Sinclair’s proposed \$963 million acquisition of Perpetual. The department said that, without the required divestiture, prices for broadcast television spot advertising would likely increase in parts of central Pennsylvania.

The department’s Antitrust Division and the Pennsylvania Office of Attorney General filed a civil antitrust lawsuit today in the U.S. District Court for the District of Columbia to block the proposed acquisition. At the same time, the department filed a proposed settlement that, if approved by the court, would resolve the competitive concerns alleged in the lawsuit.

“Perpetual’s WHTM-TV competes directly with WHP-TV and WLYH-TV, two stations owned or operated by Sinclair, in the sale of broadcast television spot advertising in parts of central Pennsylvania,” said Bill Baer, Assistant Attorney General in charge of the Department of Justice’s Antitrust Division. “The rivalry between the stations has helped to constrain advertising rates, and without the divestiture, advertisers on stations in this area would likely have paid higher prices.”

The department’s complaint alleges that the proposed acquisition would lessen competition in broadcast television spot advertising in the Harrisburg-Lancaster-Lebanon-York, Pennsylvania, designated market area (DMA). According to the complaint, the merging stations are relatively close substitutes for many advertisers, with similar demographic profiles and competing independent local news operations. As a result of the acquisition, Sinclair would own or control three of the six broadcast television stations selling advertising in the area, and advertisers could be forced to accept price increases due to the loss of competition. To remedy this harm, the proposed settlement requires Sinclair and Perpetual to divest all assets primarily used in the operation of WHTM-TV to Media General, an independent purchaser approved by the United States.

The department also analyzed the likelihood of competitive harm in Charleston, South Carolina, where Sinclair will acquire ABC affiliate WCIV-TV as part of the proposed acquisition. Cunningham Broadcasting, a company with partnership and operation agreements with Sinclair around the country, owns the Charleston FOX affiliate, WTAT-TV. Due to the close ties between Sinclair and Cunningham, the department's competitive analysis treated the relationship between the ABC affiliate Sinclair is acquiring, WCIV-TV, and the Cunningham-owned WTAT-TV as akin to a merger of those stations. The department's investigation and antitrust analysis of the Charleston market revealed that advertisers do not largely view the stations as close substitutes, and even a full merger would not likely result in a substantial lessening of competition.

Sinclair, a Maryland corporation with headquarters in Hunt Valley, Maryland, owns or operates more than 145 broadcast television stations nationwide. Sinclair's WHP-TV is the CBS affiliate in the Harrisburg-Lancaster-Lebanon-York DMA. Additionally, Sinclair operates WLYH-TV, the CW affiliate for the area, under an existing agreement with Nexstar Broadcasting, which is not a party to the proposed settlement.

Perpetual, a Delaware corporation with its headquarters in Arlington, Virginia, owns and operates seven broadcast television stations in six markets throughout the United States. Perpetual's WHTM-TV is the ABC affiliate in the Harrisburg-Lancaster-Lebanon-York DMA.

Media General, a Virginia corporation with headquarters in Richmond, Virginia, owns or operates more than 28 broadcast television stations nationwide. Media General does not currently own or operate any broadcast television stations in the Harrisburg-Lancaster-Lebanon-York DMA.

As required by the Tunney Act, the proposed settlement, along with a competitive impact statement, will be published in the Federal Register. Any person may submit written comments concerning the proposed settlement during a 60-day comment period to Scott A. Scheele, Chief, Telecommunications and Media Enforcement Section, Antitrust Division, U.S. Department of Justice, 450 Fifth Street, N.W., Suite 7000, Washington, D.C. 20530. At the conclusion of the 60-day comment period, the U.S. District Court for the District of Columbia may approve the proposed settlement upon finding that it is in the public interest.

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