

Court Remands Television Duopoly Rules to the FCC; Rules That Current Rules are 'Arbitrary'

BALTIMORE, April 2 /PRNewswire-FirstCall/ -- Sinclair Broadcast Group, Inc. (Nasdaq: SBGI) announced that the United States Court of Appeals for the District of Columbia Circuit has remanded the rules limiting the number of television stations that broadcasters can own in a market back to the Federal Communications Commission (FCC) for reconsideration, ruling that the current rules are 'arbitrary' and that 'the Commission failed to demonstrate that its exclusion of non-broadcast media from the eight voices exception is necessary in the public interest.'

On January 14, 2002, Sinclair argued against the duopoly rules, also known as the '8-voices test' before the court, stating that the rules were arbitrary, capricious and unconstitutional.

Commenting on the ruling, David Smith, President and CEO of Sinclair, stated, "The court's decision validates what we have been saying all along; that the rules governing television ownership are outdated, without basis, and anti-competitive in today's media environment. We are pleased that the court has found the rule arbitrary. We are evaluating our options and are hopeful that the FCC and courts will respond in a manner that will allow over-the-air television to remain competitive with other forms of media."

In reaching its decision, the court stated, "There is an obvious inter-relatedness between the Commission's choice of eight and its definition of 'voices.' Succinctly put, Sinclair contends that the Commission has not provided any justification for counting fewer types of 'voices' in the local ownership rule than it counted in its rule on cross-ownership of radio and television stations. We agree, for notwithstanding the substantial deference to be accorded to the Commission's line drawing, the Commission cannot escape the requirements that its action not 'run counter to the evidence before it' and that it provide a reasoned explanation for its action. Thus, even were we to reject Sinclair's assertion that the number eight was 'plucked out of thin air,' in view of the rulemaking record, our resolution of Sinclair's challenge to the Commission's definition of 'voices' requires that the rule be remanded to the Commission. On remand the Commission conceivably may determine to adjust not only the definition of 'voices' but also the numerical limit."

Justice David Sentelle, one of three judges on the panel, dissented from the remedy imposed by the decision, stating that he believed the rule should be vacated.

Sinclair Broadcast Group, Inc., one of the largest and most diversified television broadcasting companies, currently owns and operates, programs, or provides sales services to 63 television stations in 40 markets. Sinclair's television group includes FOX, WB, ABC, CBS, NBC, and UPN affiliates and reaches approximately 25.0% of all U.S. television households. For more information, please visit Sinclair's website at [www.sbgi.net](http://www.sbgi.net).

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