Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of Applications for	)	
	)	
Consent to Transfer Control of License Subsidiaries of Media General, Inc., from Shareholders of Media General, Inc. to Nexstar Media Group, Inc.	)	MB Docket No. 16-57
	)	File Nos. BTCCDT-20160210AHP *et al.*
Consent to Assign the Licenses Held by LIN Television Corp. to Nexstar Broadcasting, Inc.	)	File No. BALCDT-20160211AAB
Consent to Assign the License of KREG-TV, Glenwood Springs, Colorado from Nexstar Broadcasting, Inc. to Marquee Broadcasting Colorado, Inc.	)	File No. BALCDT-20160517AAD
Consent to Assign the License of WCWJ, Jacksonville, Florida from Nexstar Broadcasting, Inc. to Graham Media Group, Florida, Inc.	)	File No. BALCDT-20160615AAV
Consent to Assign the License of WSLS-TV, Roanoke, Virginia from a License Subsidiary of Media General, Inc. to Graham Media Group, Virginia, LLC	)	File No. BALCDT-20160615AAY
Consent to Assign the Licenses of WBAY-TV, Green Bay, Wisconsin and KWQC-TV, Davenport, Iowa, from License Subsidiaries of Media General, Inc. to Gray Television Licensee, LLC	)	File Nos. BALCDT-20160610ABG and BALCDT-20160610ABI
Consent to Assign the Licenses of KQTV, St. Joseph, Missouri and WFFT-TV, Fort Wayne, Indiana, from Nexstar Broadcasting, Inc. to Subsidiaries of USA Television MidAmerica Holdings, LLC	)	File Nos. BALCDT-20160617AAU and 20160617AAW
Consent to Assign the Licenses Held by Subsidiaries of Media General, Inc. to Subsidiaries of USA Television MidAmerica Holdings, LLC	)	File Nos. BALCDT-20160617AAX *et al.*
Consent to Assign the License of KADN-TV, Lafayette, Louisiana, from Nexstar Broadcasting, Inc. to BCBL License Subsidiary, LLC	)	File No. BALCDT-20160603AAJ
Consent to Assign the License of KASA-TV, Santa Fe, New Mexico from a Subsidiary of Media General, Inc. to Ramar Communications, Inc.	)	File No. BALCDT-20160708ABF

MEMORANDUM OPINION AND ORDER

Adopted: January 11, 2017 **Released: January 11, 2017**

By the Chief, Media Bureau and Chief, Wireless Telecommunications Bureau:

I. INTRODUCTION

1. The Federal Communications Commission ("Commission"), by the Chief, Media Bureau, pursuant to delegated authority, grants the applications in the attached Appendix A (the "Applications") that seek consent to transfer control of licenses held by subsidiaries of Media General, Inc. ("Media General" or "MEG") from the shareholders of Media General to Nexstar Media Group, Inc. (collectively, with Nexstar Broadcasting, Inc. ("NBI"), the "Applicants").[1] We further grant the unopposed divestiture applications listed in Appendix B that have been filed to bring the post-transaction Nexstar into compliance with the Local Television Ownership Rule [2] and the national audience reach cap.[3] As a result of these divestitures, we find that Nexstar, following consummation, will be in compliance with the Local Television Ownership Rule in the seven markets where the transaction would otherwise have resulted in violations, as well as be in compliance with the national audience reach cap.[4] Further, the Commission, by the Chief, Wireless Telecommunications Bureau ("WTB"), waives the prohibition on consummation of the transaction during the broadcast television spectrum incentive auction ("Incentive Auction"), which remains ongoing. We emphasize that our grant of this waiver is unique to the specific facts presented by the transaction.

2. Three parties have filed petitions to deny and/or pleadings opposing or seeking conditions on a grant of the Applications: (1) Cox Communications, Inc. ("Cox"); (2) DISH Network L.L.C., the American Cable Association, and ITTA (collectively, "DISH *et al.*"); and (3) Communications Workers of America, Free Press, Common Cause, Public Knowledge, and the Open Technology Institute at New America (collectively, "CWA *et al.*") (collectively, the "Petitioners").[5] For the reasons set forth below,

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[1] NBI is a wholly owned subsidiary of Nexstar Broadcasting Group, Inc. ("Nexstar"). The Applicants initially sought to assign two station licenses held by LIN Television Corp. ("LIN") to NBI. Subsequently, an FCC Form 316 was filed to conform these sales to the overall structure of the transaction. Consummation of the original license assignment and pro forma 316 will occur simultaneously.

[2] 47 C.F.R. § 73.3555(b).

[3] 47 C.F.R. § 73.3555(e)(1). The applications seek consent to assign certain licenses from NBI and license subsidiaries of Media General to Marquee Broadcasting Colorado, Inc. ("Marquee"); subsidiaries of Graham Media Group, Inc. ("Graham"); Gray Television Licensee, LLC ("Gray"); subsidiaries of USA Television MidAmerica Holdings, LLC ("USA Television MidAmerica"); BCBL License Subsidiary, LLC ("Bayou"); and Ramar Communications, Inc. ("Ramar").

[4] *See Amendment of Section 73.3555(e) of the Commission's Rules, National Television Multiple Ownership Rule*, Report and Order, 31 FCC Rcd 10213 (2016) ("*UHF Discount Report and Order*") (eliminating the UHF discount, which allowed commercial broadcast television station owners to attribute only 50 percent of the television households to television stations broadcasting in the UHF spectrum), *appeal pending sub nom. Twenty-First Century Fox, Inc. v. FCC*, Case No. 16-1324 (D.C. Cir.).

[5] Cox Communications, Inc. "Petition for Conditions" (filed March 18, 2016) ("Cox Petition"); DISH Network, L.L.C., The American Cable Association, and ITTA Petition to Deny or Impose Conditions (filed March 18, 2016) ("DISH Petition"); and Communications Workers of America, Free Press, Common Cause, Public Knowledge, and the Open Technology Institute at New America Petition to Deny (filed March 18, 2016) ("CWA Petition"). On February 26, 2016, the Media Bureau announced "permit-but-disclose" *ex parte* status for this proceeding. *Media Bureau Announces Permit-But-Disclose Ex Parte Status for Applications Filed for the Transfer of Control and Assignment of Broadcast Television Licenses from Media General, Inc., to Nexstar Broadcasting Group, Inc.*, Public Notice, 31 FCC Rcd 1345 (MB 2016). On June 3, 2016, the Bureau issued a letter requesting further information from Nexstar to support the certifications contained in the Comprehensive Exhibit and Applications. Letter from

we deny these petitions. In addition, we grant seven continuing "satellite exemptions" to the Local Television Ownership Rule pursuant to Note 5 of Section 73.3555 of the Commission's rules (the "rules"),[6] and grant two "failing" station waivers of the Local Television Ownership Rule, pursuant to Note 7 of Section 73.3555 of the rules.[7] Finally, we dismiss as moot requests for temporary waiver of the Local Television Ownership Rule for six legacy joint sales agreements ("JSAs") with in-market broadcasters. We find that grant of the applications will pose no competitive harm and will otherwise serve the public interest, convenience and necessity.[8]

II. BACKGROUND

A. Transaction

3. On September 28, 2015, Nexstar made an unsolicited offer to acquire Media General for a total transaction value of approximately $4.1 billion. This offer came after Media General had already announced on September 8, 2015, that it had entered into a definitive agreement to merge with Meredith Corp. The Media General Board of Directors hired investment and legal advisors in early October 2015 to review the Nexstar offer. On November 16, 2015, Media General announced that it would enter into negotiations with Nexstar regarding its proposal. On January 27, 2016, Meredith and Media General terminated their agreement. As consideration, Meredith received $60 million and the opportunity to purchase certain Media General assets in the future. On the same day, Nexstar and Media General announced that they had reached agreement on a stock and cash transaction valued at approximately $4.6 billion.

4. The Applications seek consent to the long-form transfer of control of 28 license subsidiaries of Media General to Nexstar.[9] Currently, Media General holds through its subsidiaries 67 full power television stations, 119 Class A and low-power television stations,[10] and various land mobile and earth station licenses.[11] The transaction is an acquisition of Media General by Nexstar through a series of mergers that will be completed contemporaneously at a single closing.[12] At the conclusion of the transaction, all of the Media General license subsidiaries will be direct or indirect wholly owned subsidiaries of Nexstar and will hold all the same broadcast licenses that they currently do.[13] Upon completion of the transaction, Nexstar will change its name to Nexstar Media Group, Inc.[14]

William T. Lake, Chief, Media Bureau, to Elizabeth Ryder, Senior Vice President and General Counsel, Nexstar Broadcasting, Inc., dated June 3, 2016 "(Request for Further Information").

[6] 47 C.F.R. §73.3555(b), note 5.

[7] 47 C.F.R. §73.3555(b), note 7.

[8] The United States Department of Justice ("DOJ") required Nexstar to divest seven broadcast stations in order to proceed with its acquisition of Media General. 81 Fed. Reg. 63206 (Sep. 14, 2016) (notifying the public of the filing of a Complaint, proposed Final Judgment and Competitive Impact Statement with the United States District Court for the District of Columbia). On September 15, 2016, the Federal Trade Commission granted early termination under the Hart-Scott-Rodino Act Premerger Notification Program.

[9] *See* Nexstar-Media General Merger Applications, Att. 6, Comprehensive Exhibit at 1 ("Comprehensive Exhibit").

[10] *Id.* at 13-18.

[11] The Applicants filed separate applications for Commission consent to transfer control of Media General subsidiaries' earth station, microwave, and land mobile facilities. Comprehensive Exhibit at 1 n.2, 24. *See Shareholders of Media General, Inc. and Shareholders of LIN Media, LLC,* Memorandum Opinion and Order, 29 FCC Rcd 14798 (MB 2014) ("*Media General/LIN*").

[12] Comprehensive Exhibit at 3.

[13] *Id.*

[14] *Id.* at 1 n.1

5. Approximately 66.6 percent of the shares of post-acquisition Nexstar will be held by its current shareholders and the remaining 33.4 percent by current shareholders of Media General. On consummation, each share of Media General common stock will be converted into the right to receive: (i) 0.1249 shares of Nexstar common stock, (ii) $10.55 per share in cash, and (iii) a contingent value right ("CVR") attached to each share of Media General common stock.[15]

6. The Local Television Ownership Rule allows an entity to own two television stations licensed in the same Nielsen designated market area ("DMA" or "market") that have digital noise limited service contours overlap if: (1) at least one of the stations is not ranked among the top four stations in the DMA; and (2) at least eight independently owned and operating, full power commercial and non-commercial educational television stations would remain in the DMA after the transaction.[16] Nexstar and Media General both currently own full-power television stations in seven DMAs: (i) Davenport, Iowa-Rock Island-Moline, Illinois; (ii) Fort Wayne, Indiana; (iii) Green Bay-Appleton, Wisconsin; (iv) Lafayette, Louisiana; (v) Roanoke-Lynchburg, Virginia; (vi) Terre Haute, Indiana; and (vii) Albuquerque-Santa Fe, New Mexico.[17] The Applications state that common ownership of the existing Nexstar and Media General stations in these markets would result post-consummation in Nexstar owning two of the four highest-ranked stations in the market based on Nielsen all-day audience share, in violation of the Local Television Ownership Rule. The Applicants have filed divestiture applications to come into compliance in each market.

7. The national audience reach cap prohibits the transfer of a licensee for a commercial television broadcast station if the transfer will result in the transferee having an attributable interest in television stations that reach greater than 39 percent of the national audience.[18] The Applicants have committed to divesting five additional stations at or prior to consummation of the transaction to comply with the national audience reach cap: (i) KREG-TV, Denver, Colorado (Nexstar); (ii) WCWJ, Jacksonville, Florida (Nexstar); (iii) KIMT, Rochester, Minnesota-Mason City, Iowa-Austin, Minnesota (Media General); (iv) WLFI-TV, Lafayette, Indiana (Media General); and (v) KQTV, St. Joseph, Missouri (Nexstar). Nexstar has certified that, as a result of the necessary divestitures, it will have an

[15] Nexstar currently has two related shareholders, MSD Torchlight Partners, L.P. and MSD Torchlight Partners, whose combined interests are attributable due to the number of shares they own. Those shareholders also hold attributable interests in other non-Nexstar television stations. In their Applications, the Applicants state that MSD Partners, L.P, in its capacity as investment manager for those two shareholders, will execute a Voting and Proxy Agreement with Nexstar to ensure that their combined voting interest in Nexstar following consummation will fall below the five percent attribution threshold. The executed agreement was filed on October 18, 2016.

[16] 47 C.F.R. § 73.3555(b). *See also 2014 Quadrennial Regulatory Review – Review of the Commission's Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996,* Second Report and Order, 31 FCC Rcd 9864, 9885, 9895, paras. 52, 78 (2016) ("*2016 Quadrennial Second Report and Order*") (finding that the Local Television Ownership Rule, with slight modifications, continues to be necessary to serve the public interest as a result of competition and replacing the analog Grade B contour with the digital noise limited contour). The revised standard went into effect on December 1, 2016. *See id.* at 10024, para. 381; 81 Fed. Reg. 76220 (rel. Nov. 1, 2016) (announcing December 1, 2016 effective date).

[17] Comprehensive Exhibit at 25-27. Without divestitures, Nexstar would own the following combinations in "overlap markets:" (i) WHBF-TV, Rock Island, Illinois (Nexstar) and KWQC-TV, Davenport, Iowa (Media General); (ii) WFFT-TV (Nexstar) and WANE-TV, Ft. Wayne, Indiana; (iii) WFRV-TV (Nexstar) and WBAY-TV (Media General), Green Bay, Wisconsin; (iv) KADN-TV (Nexstar) and KLFY-TV (Media General), both Lafayette, Louisiana; (v) WFXR (Nexstar) and WSLS-TV (Media General), Roanoke, Virginia; (vi) WTWO (Nexstar) and WTHI-TV (Media General), Terre Haute, Virginia; and (vii) KRQE, Albuquerque, New Mexico, and KASA-TV, Santa Fe, New Mexico, both of which are owned by Media General.

[18] 47 C.F.R. § 73.3555(e)(1).

attributable interest in television stations having an aggregate national audience reach of 38.905 percent, calculated without applying the previous UHF discount.[19]

B. Pleadings

8. Cox asserts that 55 percent of its video subscribers reside in DMAs with broadcast television stations owned by Nexstar or Media General, and that the proposed transaction's aggregation of market power to create the largest broadcast station group in the nation would threaten significant anticompetitive effects and other public interest harms.[20] Specifically, Cox argues that this disproportionate over-representation in the Cox region would give the post-merger Nexstar the incentive and ability to extract unreasonable fees and to inflict related harms through retransmission consent negotiations with Cox. Cox requests that the following conditions be placed on any grant: (1) in the event of a retransmission consent dispute between Cox and post-transaction Nexstar, Nexstar must submit to mediation overseen by the Commission; (2) during such dispute, Nexstar must continue interim carriage of its broadcast signals on the terms set forth in the expiring agreements;[21] and (3) Nexstar or Media General may not spin off any stations in overlap markets to any "sidecar" entity in which Nexstar or Media General has a significant interest.[22]

9. DISH *et al.* also asserts that Nexstar's aggregation of market power will give it increased negotiating leverage.[23] DISH *et al.* argues that the transaction threatens to drive up retransmission consent fees (and consumer prices) and to increase the risk and incidence of broadcast programming blackouts in the impacted DMAs. The DISH Petition asserts that both Nexstar and Media General have used consumers as pawns in negotiations with pay-television operations and have harmed consumers by repeatedly blacking out programming during contractual disputes.[24] They ask that the Commission designate the Applications for hearing or, at a minimum, require the post-merger Nexstar to submit to "baseball-style" arbitration with interim carriage during retransmission consent disputes.[25]

10. CWA *et al.* asks that the Commission dismiss the Applications or designate them for hearing.[26] CWA *et al.* argues that Nexstar does not attempt to demonstrate why allowing it to grow to such a size would be in the public interest.[27] The CWA Petition also asserts that the *2002 Biennial Review Order* made clear that the Commission would not allow JSA relationships to be continued if the licensees were sold and, therefore, argues that the request to bring six "legacy JSAs" into compliance by

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[19] Comprehensive Exhibit at 46. The Applicants also certify that the proposed common ownership in four markets where a Media General subsidiary is the licensee of one or two full-power television stations and Nexstar holds attributable interest in various radio stations complies with the Commission's Radio-Television Cross Ownership Rule. Comprehensive Exhibit at 2, 28-30 (citing 47 C.F.R. § 73.3555(c)).

[20] Cox Petition at 6-12.

[21] *Id.* at 12-15.

[22] *Id.* at 15.

[23] DISH Petition at 12-13.

[24] *Id.* at 1, 10-12.

[25] *Id.* at 14.

[26] CWA Petition.

[27] *Id.* at 3.

September 30, 2025, should be denied.[28] Finally, it argues that Nexstar has failed to adequately demonstrate how granting such a waiver would be in the public interest.[29]

11. Media General and Nexstar argue, as an initial matter, that the Petitioners have failed to establish standing.[30] Their Consolidated Opposition also asserts that the Petitioners' contentions about Nexstar growing too large are inappropriate in the adjudicatory proceeding at issue here; that the Petitioners are blatantly attempting to end-run the rulemaking process; and that the Commission's national audience reach cap is designed specifically to provide a bright line rule for broadcast acquisitions.[31] Media General and Nexstar further rebut the position of CWA *et al.* regarding the legacy JSAs, arguing that the 2016 Consolidated Appropriations Act[32] unambiguously grandfathered these agreements through 2025 and the Commission has never officially taken a contrary position.[33] Finally, they maintain that the arguments regarding retransmission consent are more properly the subject of a rulemaking proceeding.[34]

12. In its reply, Cox responds that the harms at issue here – excessive prices; increased blackout risks; and aggregation of market power -- are transaction-specific, and that narrowly tailored conditions are appropriate.[35] Cox reiterates that the Commission has ample legal authority to impose the proposed conditions, and that mediation and interim carriage conditions are necessary to address the harms identified in its Petition.[36]

13. CWA *et al.* filed a Reply defending its standing to participate on the basis that the declaration that it submitted is sufficient and that, so long as one party establishes standing, other parties will be treated as having standing as well.[37] The CWA Reply also argues that, while existing JSAs entered into prior to March 31, 2014, were grandfathered until 2025 pursuant to the 2016 Consolidated Appropriations Act, that statute did not address whether JSAs would survive the transfer of a license.[38]

14. DISH *et al.* responds that it has standing because it demonstrated that DISH, ACA's members, and ITTA's members each retransmit certain local broadcast stations owned by the Applicants and expect to negotiate in the future for continued retransmission of these stations.[39] The DISH Reply also reiterates that CWA *et al.* have made merger-specific factual allegations, namely, that the merger is not in the public interest because it would make blackouts more likely.[40] DISH *et al.* emphasizes that the

[28] CWA Petition at 6.

[29] *Id.* at 7-9.

[30] Consolidated Opposition to Petitions to Deny ("Consolidated Opposition") (filed Apr. 14, 2016) at 2-4.

[31] *Id.* at 5-12.

[32] Consolidated Appropriations Act, 2016, § 628, P.L. 114-113 (2015).

[33] Consolidated Opposition at 20-32.

[34] *Id.* at 32-47.

[35] Cox Reply at 2-8.

[36] *Id.* at 9-48.

[37] CWA Reply at 2 (citations omitted).

[38] *Id.* at 2-3.

[39] DISH Reply at 2-4.

[40] *Id.* at 5-6.

Commission's review of this transaction is not limited to whether the merged company will exceed the relevant ownership cap.[41]

III. DISCUSSION

A. Standing

15. Under the Act,[42] only a "party in interest" has standing to file a petition to deny. The petition to deny must contain specific allegations of fact demonstrating that the petitioner is a party in interest and that grant of the application would be inconsistent with the public interest, convenience and necessity.[43] The allegations of fact, except for those of which official notice may be taken, must be supported by an affidavit or declaration under penalty of perjury ("declaration") of someone with personal knowledge of the facts alleged.[44] In general, a petitioner in a transfer proceeding also must allege and prove that: (1) it has suffered or will suffer an injury in fact; (2) there is a causal link between the proposed assignment and the injury in fact; and (3) that not granting the assignment would remedy or prevent the injury in fact.[45] In the case of viewer standing, the petitioner must allege that it is a resident of the station's service area and a regular viewer of the station.[46] An organization can establish standing on behalf of its members if it provides an affidavit or declaration "of one or more individuals entitled to standing indicating that the group represents local residents and that the petition is filed on their behalf."[47]

16. Consistent with recent precedent, we find that Cox and DISH *et al.* have met the requirements for standing because they have alleged that grant of the Applications will have specific, negative effects on themselves or their members (in the case of ITTA and ACA), and claim that those harms can be cured by dismissal or denial of the Applications.[48] In the case before us, Cox and the DISH, *et al.* signatories each filed similar affidavits attesting that they or their respective member companies provide MVPD service and negotiate for retransmission consent from local broadcast television stations owned by Nexstar and Media General.[49]

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[41] *Id.* at 7-11.

[42] 47 U.S.C. §309(d); 47 C.F.R. § 73.3584.

[43] 47 U.S.C. §309(d).

[44] *Id.*

[45] *See, e.g. Lujan v. Defenders of Wildlife*, 504 U.S. 555 (1992); *MCI Communications Corp.*, Memorandum Opinion and Order, 12 FCC Rcd 7790 (1997); *Timothy K. Brady*, Letter Order, 20 FCC Rcd 11987 (MB Aud. Div. 2005).

[46] *See Rainbow/PUSH Coalition*, 330 F.3d 1235 (D.C. Cir. 2005). With respect to viewer standing, it is not necessary for a petitioner to make a separate showing that it has suffered an injury in fact. Factual allegations as to why grant of a broadcast application would not serve the public interest, combined with a showing of local residence, "supply the predicate for finding injury in fact." *Petition for Rulemaking to Establish Standards for Determining the Standing of a Party to Petition to Deny a Broadcast Application*, Memorandum Opinion and Order, 82 FCC 2d 89, 98-99 (1980).

[47] *Cox Radio, Inc. & Summit Media, LLC*, Letter, 28 FCC Rcd 5674, 5676, para. 2 n.12 (MB Aud. Div. 2013) ("*Cox Radio*").

[48] *See Applications for Consent to Transfer of Control from License Subsidiaries of Allbritton Communications Co. to Sinclair Television Group, Inc.*, Memorandum Opinion and Order, 29 FCC Rcd 9156, 9163, para. 23 (MB 2014) (rejecting a similar challenge to ACA's standing, relying on ACA's submission of a declaration that ACA member companies have retransmission consent agreements with multiple stations involved in that transaction, and rejecting a similar argument that any harms were not sufficiently specific or concrete) ("*Allbritton/Sinclair*").

[49] Cox Petition, Decl. of Andrew Albert at 1-2; DISH Petition at 9-10; DISH Petition, Decls. of Jeffrey H. Blum, Ross Lieberman, and Genevieve Morelli (attesting to the truth and correctness of the DISH Petition).

17. We also find that CWA has established standing to file a petition to deny against the transfer of control of only one of the stations.[50] To demonstrate standing in this case, an organization must be acting on behalf of viewer members who have standing themselves.[51] We reject the Applicants' argument that CWA *et al.* have failed to identify even a single direct, non-speculative injury that they would suffer from grant of the Applications.[52] In its Petition, CWA submitted an affidavit from a resident of an area served by Nexstar and Media General stations,[53] and argues that the transaction would significantly impede the Commission's competition and diversity goals contrary to the public interest. The Commission has found similar allegations to be sufficient to confer standing.[54] The affidavit that was submitted, however, came from a single member of CWA and only pertained to a single market, Youngstown, Ohio.[55] The remaining parties to the CWA petition did not submit affidavits.

18. We find, consistent with precedent, that CWA's standing is geographically limited to the market with respect to which viewer membership is identified in its declaration.[56] We also find that the remaining parties to CWA's petition lack standing because they failed to provide affidavits or declarations, and we will treat Free Press, Common Cause, Public Knowledge, and the Open Technology

[50] The other signatories to the CWA petition have not established standing since none of the other organizations provided affidavits or declarations.

[51] *See, e.g., Applications for Consent to Transfer of Control of Certain Licensee Subsidiaries of Local TV Holdings, LLC*, Memorandum Opinion and Order, 28 FCC Rcd 16850, 16853, para. 7 (MB 2013) ("*Tribune II*"); *Cox Radio*, 28 FCC Rcd at 5676, para. 2 n.12.

[52] Opposition at 3 (*citing WBFM, Inc.*, Memorandum Opinion and Order, 47 FCC 2d 1267 (1974); *License Renewal Applications of Certain Broadcast Stations Licensed for and Serving the Metropolitan Los Angeles, California Area*, Memorandum Opinion and Order, 68 FCC 2d 75 (1978)).

[53] *See* CWA Petition, Declaration of Anthony Markata (attesting to residency in Struthers, Ohio, served by stations WYTV, WYFX, and WKBN, and stating membership in CWA).

[54] *See, e.g., Allbritton/Sinclair*, 29 FCC Rcd at 9163, para. 23.

[55] CWA Petition, Declaration of Anthony Markata.

[56] *Applications of Certain Broadcast Stations Serving Communities in the State of Louisiana*, Memorandum Opinion and Order, 7 FCC Rcd 1503, 1504, para. 4 (1992) ("The petition did not include statements from NAACP members concerning WFPR(AM)/WHMD(FM), Hammond, Louisiana, WCKW(AM), Garyville, Louisiana, and WCKW FM, LaPlace, Louisiana. Accordingly, we find that the petition to deny filed by the NAACP against these stations is insufficient to establish standing[.]").

Institute at New America as informal objectors.[57] To the extent that we fail to find standing, we will treat the pleading as an informal objection and consider all allegations contained therein.[58]

B. Standard of Review and Balance of Benefits and Harms

19. Section 310(d) of the Communications Act of 1934 ("the Act") provides that no station license shall be transferred or assigned unless the Commission, on application, determines that the public interest, convenience, and necessity will be served thereby. In making this assessment, the Commission must first determine whether the proposed transaction would comply with the specific provisions of the Act,[59] other applicable statutes, and the Commission's rules.[60] If the transaction would not violate a statute or rule, the Commission considers whether it could result in public interest harms by substantially frustrating or impairing the objectives or implementation of the Act or related statutes.[61] The Commission then employs a balancing process, weighing any potential public interest benefits of the proposed

[57] CWA *et al.*'s reliance on *Shareholders of Tribune*, Memorandum Opinion and Order, 29 FCC Rcd 844 (2014), is misplaced. In that case, the Commission found it unnecessary to reach the question of whether an affidavit from a single member is sufficient to establish standing for an organization in all markets at issue in a transfer proceeding, but advised parties to provide such affidavits. *Id.* at 849, para. 15 and fn. 42. The Commission stated that the unique facts in that case, in which multiple proceedings in which the petitioners had submitted affidavits in the different affected markets were consolidated and the petitioners submitted additional affidavits during later stages of the proceeding, had a bearing on its permissive decision to grant standing. *Id.* at 849, para. 15. No such complexity is present here and, unlike the possibly confused petitioners in Tribune, CWA should have known that it needed an affidavit from a member-viewer in each affected market to obtain standing in those markets. *Id.* at 849, para. 15 and fn. 42. Furthermore, nothing in *Shareholders of Tribune* indicates that standing granted to one organization confers equal standing on a co-petitioner organization. Indeed, the Commission explicitly sorted out in which markets the petitioner organizations in *Shareholders of Tribune* had standing rather than simply stating that all co-petitioners had equal standing. *Shareholders of Tribune*, 29 FCC Rcd at 848-849, para. 15.

CWA *et al.* cites *Massachusetts v. EPA*, 549 U.S. 497, 518 (2007) and *Rumsfeld v. Forum Academic and Institutional Rights, Inc.*, 547 U.S. 47, 53 n.2 (2006) for the proposition that if one petitioner has standing that is sufficient for the case-or-controversy to be considered. Our ruling does not contradict that proposition. CWA has standing with respect to the Youngstown, Ohio market and we will treat it as a petitioner and fully consider the arguments raised in its petition. CWA's standing does not confer standing on its fellow petitioners, although we will treat them as informal objectors.

[58] *See Tribune II*, 28 FCC Rcd at 16853, para. 8.

[59] Section 310(d) requires that the Commission consider the applications as if the proposed transferee were applying for the licenses directly. 47 U.S.C. § 310(d). *See SBC Communications Inc. and AT&T Corp. Applications for Approval of Transfer of Control*, Memorandum Opinion and Order, 20 FCC Rcd 18290, 18300, para. 16 (2005) ("*SBC-AT&T Order*"); *Verizon Communications, Inc. and MCI, Inc. Applications for Approval of Transfer of Control*, Memorandum Opinion and Order, 20 FCC Rcd 18433, 18442-43, para. 16 (2005) ("*Verizon-MCI Order*"); *Applications of Nextel Communications, Inc. and Sprint Corporation*, 20 FCC Rcd 13967, 13976, para. 20 (2005) ("*Sprint-Nextel Order*"); *News Corp.-Hughes Order*, 19 FCC Rcd at 483, para. 15;*Applications for Consent to the Transfer of Control of Licenses from Comcast Corp. and AT&T Corp., Transferors, to AT&T Comcast Corp., Transferee*, Memorandum Opinion and Order, 17 FCC Rcd 23246, 23255, para. 26 ("*Comcast-AT&T Order*").

[60] *See, e.g., SBC-AT&T Order*, 20 FCC Rcd at 18300, para. 16; *Verizon-MCI Order*, 20 FCC Rcd at 18442-43, para. 16; *Applications for Consent to the Assignment of Licenses Pursuant to Section 310(d) of the Communications Act from NextWave Personal Communications, Inc., Debtor-in-Possession, and NextWave Power Partners, Inc., Debtor-in-Possession, to Subsidiaries of Cingular Wireless LLC*, 19 FCC Rcd 2570, 2580-81, para. 24 (2004); *EchoStar Communications Corp., General Motors Corp. and Hughes Electronics Corp., and EchoStar Communications Corp.*, Hearing Designation Order, 17 FCC Rcd 20559, 20574, para. 25 (2002) ("*EchoStar-DIRECTV HDO*").

[61] *See SBC-AT&T Order*, 20 FCC Rcd at 18300 para. 16; *Verizon-MCI Order*, 20 FCC Rcd at 18443, para. 16; *Sprint-Nextel Order*, 20 FCC Rcd at 13976, para. 20.

transaction against any potential public interest harms.[62] The applicants bear the burden of proving, by a preponderance of the evidence, that the proposed transaction, on balance, would serve the public interest.[63] If the Commission is unable to find that the proposed transaction serves the public interest, or if the record presents a substantial and material question of fact as to whether the transaction serves the public interest, Section 309(e) of the Act requires that the applications be designated for hearing.[64]

20. The Commission applies a separate two-part analysis to arguments raised in a petition to deny. First, the Commission must determine whether the petition contains specific allegations of fact sufficient to show that granting the application would be *prima facie* inconsistent with the public interest.[65] The first step "is much like that performed by a trial judge considering a motion for directed verdict: if all the supporting facts alleged in the [petition] were true, could a reasonable fact finder conclude that the ultimate fact in dispute had been established."[66] If the petition meets this first step, the Commission must determine whether, "on the basis of the application, the pleadings filed, or other matters which [the Commission] may officially notice," a substantial and material question of fact has been raised as to whether the application would serve the public interest.[67] Based on a review of the application and record before us, as well as pleadings filed, we find, as further discussed below, that no substantial and material question of fact has been raised as to whether grant of the instant applications would serve the public interest.

21. *Public Interest Showing.* The Applicants claim that the transaction would produce operational efficiencies and economies of scale that would be reinvested in programming, providing tangible benefits to viewers.[68] The Applicants estimate that these savings would total more than $75-$76 million in the first year.[69] Further, the Applicants claim that the combined firm would be more attractive to programmers, be a more attractive partner to MVPDs, and would enjoy greater strategic alternatives outside of broadcasting.[70] Finally, as a result of the transaction, the Applicants have committed to, and claim it would be economically feasible to, establish state news bureaus in Albany, NY, Austin, TX, and Nashville, TN, providing viewers with greater and more timely access to relevant information.[71] Moreover, all of the stations would have access to a central Washington, DC, news bureau established by Media General.

22. In determining whether approval of a transaction is in the public interest, we evaluate whether the transaction is likely to produce public interest benefits. We apply several criteria in deciding

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[62] *See SBC-AT&T Order,* 20 FCC Rcd at 18300, para. 16; *Verizon-MCI Order,* 20 FCC Rcd at 18443, para. 16; *Sprint-Nextel Order,* 20 FCC Rcd at 13976, para. 20; *News Corp.-Hughes Order*, 19 FCC Rcd at 483, para. 15; *Comcast-AT&T Order*, 17 FCC Rcd at 23255, para. 26.

[63] *See SBC-AT&T Order*, 20 FCC Rcd at 18300, para. 16; *Verizon-MCI Order*, 20 FCC Rcd at 18443, para. 16; *Comcast-AT&T Order,* 17 FCC Rcd at 23255, para. 26; *EchoStar-DIRECTV HDO*, 17 FCC Rcd at 20574, para. 25.

[64] 47 U.S.C. § 309(e); *see also News Corp.-Hughes Order,* 19 FCC Rcd at 483, para. 15 n.49; *EchoStar-DIRECTV HDO,* 17 FCC Rcd at 20574, para. 25.

[65] U.S.C. § 309(d)(1); *Astroline Communications Co., Ltd. Partnership v. FCC*, 857 F.2d 1556 (D.C. Cir. 1988) ("*Astroline*").

[66] *Gencom, Inc. v. FCC*, 832 F.2d 171, 181 (D.C. Cir. 1987) ("*Gencom*").

[67] *Astroline*, 857 F.2d at 1561; 47 U.S.C. § 309(e).

[68] Revised Comprehensive Exhibit at 5; Consolidated Opposition to Petitions to Deny at 18.

[69] *Id.*

[70] *Id.* at 5, 10-12; Consolidated Opposition to Petitions to Deny at 18; Letter from Greg Masters, Counsel to Nexstar, to Marlene Dortch, Secretary, FCC (Aug. 12, 2016) ("Nexstar Aug. 12, 2016, *Ex Parte*") at 2.

[71] Revised Comprehensive Exhibit at 9; Consolidated Opposition to Petitions to Deny at 18; Nexstar Aug. 12, 2016, *Ex Parte* at 2.

whether each public interest benefit claimed by the Applicants is cognizable. First, each claimed benefit must be transaction-specific. That is, the claimed benefit must be likely to occur as a result of the transaction but unlikely to be realized by other practical means having less anticompetitive effect.[72]

23. Second, each claimed benefit must be verifiable. Because much of the information relating to the potential benefits of a transaction is in the sole possession of the Applicants, they have the burden of providing sufficient evidence to support each claimed benefit to enable us to verify its likelihood and magnitude.[73] We will discount or dismiss speculative benefits that we cannot verify.[74] Likewise, consistent with precedent, we will also dismiss speculative harms raised in a petition to deny.[75] As the Commission explained in the *EchoStar-DIRECTV HDO*, "benefits that are to occur only in the distant future may be discounted or dismissed because, among other things, predictions about the more distant future are inherently more speculative than predictions about events that are expected to occur closer to the present."[76]

24. Third, we calculate the magnitude of benefits net of the cost of achieving them.[77] Fourth, benefits must flow through to consumers, and not inure solely to the benefit of the company.[78] For example, we will more likely find marginal cost reductions to be cognizable than reductions in fixed cost because reductions in marginal cost are more likely to result in lower prices for consumers.[79]

25. We apply a "sliding scale approach" to evaluating benefit claims. Under this sliding scale approach, where potential harms appear both substantial and likely, the Applicants' demonstration of claimed benefits must show a higher degree of magnitude and likelihood than the Commission would

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[72] *See Charter Communications, Inc.*, Memorandum Opinion and Order, 31 FCC Rcd 6327, 6479 (2016) ("*Charter-Time Warner Cable Order*); *AT&T, Inc.*, Memorandum Opinion and Order, 30 FCC Rcd 9131, 9237 (2015) (*AT&T-DIRECTV Order*"); *News Corporation and The DIRECTV Group, Inc.*, Memorandum Opinion and Order, 23 FCC Rcd 3265, 3330 (2008) ("*Liberty Media-DIRECTV Order*"); *EchoStar Communications Corporation et. al.*, Hearing Designation Order, 17 FCC Rcd 20559, 20630 (2002) ("*EchoStar-DIRECTV HDO*").

[73] *See Charter-Time Warner Cable Order*, 31 FCC Rcd at 6479, para. 317; *AT&T-DIRECTV Order*, 30 FCC Rcd at 9237, para. 274; *Liberty Media-DIRECTV Order*, 23 FCC Rcd at 3331, para. 140; *EchoStar-DIRECTV HDO*, 17 FCC Rcd at 20630, para. 190

[74] *See Charter-Time Warner Cable Order*, 31 FCC Rcd at 6479, para. 317; *AT&T-DIRECTV Order*, 30 FCC Rcd at 9237, para. 274; *Liberty Media-DIRECTV Order*, 23 FCC Rcd at 3331, para. 140; *EchoStar-DIRECTV HDO*, 17 FCC Rcd at 20630, para. 190.

[75] *See, e.g. ACME Television Licenses of Ohio, LLC*, Letter Order, 26 FCC Rcd 5198, 5200 (MB Vid. Div. 2011) ("The assertion that, if the application is granted, the station might threaten to withdraw its signal during negotiations is, likewise, speculative."); *J. Stewart Bryan,* Letter Order, 28 FCC Rcd 15509, 15518, para. 20 (MB Vid. Div. 2013) ("Although Dish does not clearly state the harms that would be caused as a result of the approval of this transaction, we read Dish's Informal Objection to imply that grant of the merger may result in higher retransmission fees. Such a claim is speculative and is improper in the context of this adjudicatory proceeding.").

[76] *EchoStar-DIRECTV HDO*, 17 FCC Rcd at 20630-31, para. 190. *See Charter-Time Warner Cable Order*, 31 FCC Rcd at 6479 para. 317; *AT&T-DIRECTV Order*, 30 FCC Rcd at 9237, para. 274.

[77] *See Charter-Time Warner Cable Order*, 31 FCC Rcd at 6479, para. 318; *AT&T-DIRECTV Order*, 30 FCC Rcd at 9237, para. 275; *Liberty Media-DIRECTV Order*, 23 FCC Rcd at 3331, para. 140; *EchoStar-DIRECTV HDO*, 17 FCC Rcd at 20630, para. 190.

[78] *See Charter-Time Warner Cable Order*, 31 FCC Rcd at 6479, para. 318; *AT&T-DIRECTV Order*, 30 FCC Rcd at 9237, para. 275.

[79] *See Charter-Time Warner Cable Order*, 31 FCC Rcd at 6480, para. 318; *AT&T-DIRECTV Order*, 30 FCC Rcd. at 9237-38, para. 275; *News Corp.-Hughes Order*, 19 FCC Rcd at 611, at para. 317; *EchoStar-DIRECTV HDO*, 17 FCC Rcd at 20631, para. 191.

otherwise demand. On the other hand, where potential harms appear less likely and less substantial, we will accept a lesser showing.

26. As discussed below, we recognize that the proposed transaction offers certain benefits related to the establishment of state news bureaus and access to the Washington DC news bureau. For most of the remaining purported benefits, we attribute minimal weight since we have insufficient evidence that they would result in verifiable consumer-specific benefits. Further, we are unable to ascertain that the benefits from combining digital operations could be achieved only through the transaction, and therefore are unable to conclude that they are transaction-specific benefits.

27. As noted above, CWA *et al* argues that Nexstar does not explain how the public would benefit from its claimed efficiencies. We disagree. The Applicants assert that Nexstar would be able to access content from Media General's Washington DC news bureau as a result of the transaction.[80] Nexstar claims that, absent the transaction, it has stations in only five of the top-50 markets, and therefore has few major markets to fund a Washington DC news bureau on its own.[81] Post-transaction, Nexstar would have stations in 20 of the top 50 markets to support the Washington DC news bureau, and all of its 171 stations post-transaction would benefit from topical Washington DC coverage.[82]

28. Further, the Applicants argue it would be economically feasible as a result of the merger to establish state news bureaus in Albany, NY, Austin, TX, and Nashville, TN, providing viewers with greater and more timely access to relevant information.[83] In each of these three states, Nexstar has two to 11 stations but none of these are in the state capital; however, Media General has a station in each of the three state capital markets.[84] According to Nexstar, it is expensive to establish an independent news bureau without having a station in the state capital.[85] Nexstar states that it has reporters in Albany, NY and in Austin, TX, but in each case its news presence is limited.[86] Further, Nexstar contends that the combined company's viewers would benefit from these state news bureaus by having increased access to lawmakers' stands on critical issues as well as insight into state agency activities and state supreme court proceedings.[87] Nexstar also contends that the transaction may result in establishing additional state-wide news bureaus in Alabama, Indiana, Pennsylvania, and Virginia, and that it intends to examine the viability of a news bureau in these states.[88]

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[80] Revised Comprehensive Exhibit at 8; Nexstar Response to the Information Request at 12-14.

[81] Nexstar Response to Information Request at 13.

[82] Nexstar Response to Information Request at 13-14. Media General established the Washington, DC news bureau after completing its transaction with LIN Media. Media General has 15 top-50 market stations. *See* Nexstar Response to Information Request at 13.

[83] Revised Comprehensive Exhibit at 9; Consolidated Opposition to Petitions to Deny at 18; Nexstar Response to Information Request at 14-18; Aug. 12, 2016 *Nexstar Ex Parte* at 2.

[84] Nexstar Response to Information Request at 14-15.

[85] *Id.* at 14, 17.

[86] *Id.* at 14-15. Nexstar has a single reporter in Albany, NY. In Austin, TX it has leased office space and equipment in Media General's KXAN facilities, but this agreement is cancellable by Media General at any time with 90 days' notice. *See id.* at 14-15.

[87] *Id.* at 17.

[88] Revised Comprehensive Exhibit at 9. In Alabama post-transaction, Nexstar states that it would have stations in four of the five DMAs that serve the state. According to Nexstar, although it would not have a station in the Alabama state capital market, the transaction would result in sufficient resources to allow Nexstar to establish a news bureau to cover actions of the state government. In Indiana, Pennsylvania, and Virginia, Nexstar contends that post-transaction it would have three stations including one in each of the state capitals that would facilitate establishing a state news bureau. *See* Nexstar Response to Information Request at 19-20.

29. We find that the establishment and access to state news bureaus and the Media General Washington, DC, news bureau would result in public interest benefits for Nexstar's viewers and in some instances for Media General's viewers. We find that increased access to reporting on federal and state policies and laws would increase the combined company's viewers' awareness of issues that may directly affect them. Further, the Applicants provided numerous instances of their previous investments in local news programming that indicate their commitment to investing in this type of programming.[89] We concur with the Applicants that establishing a news bureau requires significant technical infrastructure and staff[90] and that the costs are not trivial, especially in states where Nexstar does not operate a station in the capital market. Given these significant investments, we find that establishment of state news bureaus in these states by Nexstar would be unlikely absent the transaction. We also find that, without the transaction, it would have been unlikely that Nexstar's viewers would have access to reporting from Media General's Washington, DC, news bureau, and Nexstar would be unlikely to establish its own Washington, DC, news bureau. Therefore, we find that these are transaction-specific benefits.

30. While the Applicants may achieve certain cost savings and efficiencies as a result of the transaction, we ascribe minimal weight to these claimed benefits because these cost savings are largely fixed costs. As previously stated, we generally find reductions in fixed cost to be less cognizable than reductions in marginal costs because the former are less likely to result in benefits (such as lower prices) for consumers.[91]

31. We also ascribe minimal weight to the claimed benefits that the transaction would result in lower transaction costs to programmers or that new and diverse programming would be available to viewers. Nexstar provided an example of how it, in conjunction with its service partner stations, has increased the reach of three diverse networks.[92] However, this example illustrates that Nexstar was able to bring this programming to its stations without the transaction, and we are unable to ascertain to what extent the transaction would result in additional new and diverse programming being made available to viewers.

32. Finally, we give little weight to the Applicants' contentions that as a result of the transaction the combined entity would be a more attractive partner to MVPDs and would enjoy greater strategic alternatives outside of broadcasting. There may be benefits that would accrue to MVPD subscribers, but these would depend on the investment the combined firm makes in new content and to what extent it would pass on the lower costs of negotiating distribution rights such that consumers benefit from these reductions. Nexstar has provided insufficient information for us to verify this benefit. Further, although the combined digital operations may result in a better package of services and provide scale for these businesses, we are unable to verify that this benefit could not have been achieved without the transaction.

33. On balance, we find that, based on the increased access of Nexstar's existing stations to Media General's Washington, D.C. news bureau, and the commitment to establishing multiple state capital news bureaus, the Applicants have adequately demonstrated how the merger would produce public

[89] Revised Comprehensive Exhibit at 7-9.

[90] Nexstar Response to Information Request at 16.

[91] *See Charter-Time Warner Cable Order*, 31 FCC Rcd at 6480, para. 318; *AT&T-DIRECTV Order*, 30 FCC Rcd at 9237-38, para. 275; *News Corp.-Hughes Order*, 19 FCC Rcd at 611, para. 317; *EchoStar-DIRECTV HDO*, 17 FCC Rcd at 20631, para. 191.

[92] Nexstar Response to the Information Request at 7. In June 2016, Nexstar and its service partner stations added Escape, Grit, and Laff to its multicast line-up and expanded the reach of Bounce TV. *See* Nexstar Response to the Information Request at 7; NXST-JCIR-00000037-39, Katz Broadcasting News Release, "In Largest Multicast Network Distribution Launch in History, Nexstar Broadcasting Group, Inc., Mission Broadcasting, Inc. and White Knight Broadcasting, Inc. to Roll Out Escape, Grit, Laff and Bounce TV," June 15, 2016

interest benefits.

C. Retransmission Consent

34. Both Cox and DISH *et al.* argue that the aggregation of stations under common Nexstar ownership would result in an imbalance in bargaining leverage during retransmission consent negotiations and a concomitant threat of blackouts and higher retransmission consent fees, to the detriment of their organizations, consumers, and the public interest.[93] They state as support that Nexstar, itself, has argued that one of the primary benefits of the proposed deal to its shareholders is an increase in revenue due to retransmission consent fees.[94] As noted above, Cox asserts that 55 percent of its video subscribers reside in DMAs with broadcast television stations owned by Nexstar or Media General, and that this disproportionate over-representation would give the post-merger Nexstar the incentive and ability to extract unreasonable fees and to inflict related harms through retransmission consent negotiations with Cox.[95] DISH *et al.* further argues that after-acquired station clauses, which are commonly included in negotiated retransmission consent agreements, will by necessity cause a rise in retransmission consent fees.[96]

35. As the Bureau stated in the *2013 Gannett/Belo Order*, "[w]e must giv[e] careful attention to the economic effects of, and incentives created by, a proposed transaction taken as a whole and its consistency with the Commission's policies under the Act, including our policies in favor of competition, diversity, and localism."[97] The Department of Justice, which entered into a consent decree with the Applicants resolving its competitive concerns regarding the transaction, recognized rising retransmission consent fees as a potential competitive harm posed by the transaction in certain local markets, but concluded that this potential harm was adequately addressed by the divestitures proposed in the seven overlap markets.[98] We agree. With the divestitures, the transaction will not significantly change whatever bargaining leverage Applicants currently have in the affected local markets. With regard to the claims that the Applicants will increase their bargaining leverage by the common ownership of multiple stations in a region broader than the local market, the Commission has not previously found that, with regard to retransmission consent negotiations, where the ownership of multiple stations does not violate the national audience reach cap, increasing the number of stations owned at the regional or national level leads to public interest harms, and we decline to do so here based on the evidence before us. Moreover, we find Petitioners' claims fail to raise substantial and material questions of fact as to why the public interest would not be served by grant of the applications, because the Petitioners do not provide any basis for the assertion that the merged entity will have "market power" vis-à-vis MVPDs with national or at least broad coverage of their own.[99] Indeed, there is no basis here to conclude which of the negotiating parties – if any – may have leverage over the other. We are, however, cognizant of the changing nature of the broadcast marketplace, and we do not foreclose the possibility, in the future, of looking at rising

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[93] Cox Petition at 1; DISH Petition at 3.

[94] Cox Petition at i-ii; DISH Petition at 12.

[95] Cox Petition at 6-12; *see supra* para. 8.

[96] DISH Petition at 2; *see also* Letter from Barbara Esbin, counsel for DISH *et al.*, to Marlene H. Dortch, Secretary, FCC, MB Docket No. 16-57 (filed Nov. 1, 2016). According to DISH *et al.*, these clauses "typically entitle a broadcaster to roll into its existing retransmission consent agreement with an MVPD any other local broadcast stations it subsequently acquires, manages, or on whose behalf it otherwise gets the rights to negotiate retransmission consent." DISH Petition at 7-8.

[97] *Shareholders of Belo Corp.*, Memorandum Opinion and Order, 28 FCC Rcd 16867, 16879, para. 30 (MB 2013) ("*2013 Gannett/Belo Order*").

[98] *United States v. Nexstar Broadcasting Group Inc., et al.*, Proposed Final Judgment and Competitive Impact Statement, 81 FR 63206 (Sep. 14, 2016).

[99] *See* Cox Petition at 2, 9; DISH Petition at 9, 12.

retransmission fees, black outs, and other related issues in a context broader than local markets – though we stress that such harms must be demonstrably transaction-specific and not industry-wide in nature to be addressed in the context of a transfer of control proceeding. And we will, of course, carefully scrutinize future disputes related to retransmission consent negotiations pursuant to the standards set forth in Section 325 of the Act.[100].

36. We also reject DISH *et al.*'s argument with regard to after-acquired clauses. According to DISH *et al.*, after-acquired station clauses in existing retransmission consent contracts cause the "rates that the MVPD pays [to be] reset at the higher level of the acquiring/managing station, without any corresponding change in the value of the programming," forcing MVPDs to either absorb the increases or pass them on to their subscribers.[101] However, such after-acquired station clauses are negotiated by the parties outside of this transaction, and there is no apparent reason for the Commission to step in and deny one party the benefit of the negotiated bargain absent evidence of anticompetitive practices or other wrongdoing not apparent here.

D. Multiple Ownership and National Audience Reach Cap

37. In the seven overlap markets where common ownership would have resulted in a violation of the Local Television Ownership Rule, we find that grant of the assignment applications to third-party buyers will resolve any potential violations, and we will condition grant of the broader transaction on consummation of the divestitures in these markets. We also find that the assignees of the stations to be spun off will not have an attributable relationship with Nexstar and are independent from Nexstar, and that there are no proposed JSAs, Local Marketing Agreements, Shared Services Agreements, or similar arrangements between these proposed buyers and Nexstar. We therefore find Cox's request that we impose a condition prohibiting divestiture to any "sidecar" entities is moot.[102] Additionally, on August 1, 2016, the Applicants amended the applications by filing a chart listing each full power television station in which Nexstar would have an attributable interest post-transaction, along with the corresponding national household percentage for each DMA.[103] On September 7, 2016, the Commission released the *UHF Discount Report and Order*, which eliminated the UHF discount in applying the National Television Ownership Rule, effective November 23, 2016, and adopted a grandfathering rule that would not cover the Applications at issue here.[104]

38. According to CWA *et al*, regardless of compliance with the Commission's 39 percent national audience reach cap, the transaction would decrease diversity in national ownership and make at least 28 television stations unavailable to smaller companies or new entrants.[105] We decline to deny the Applications on that ground. In the *UHF Discount Report and Order*, the Commission specifically declined to revisit the national cap in that proceeding and declined to initiate a further rulemaking for that

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[100] 47 U.S.C. § 325. Section 325 of the Act prohibits broadcast television stations and MVPDs from "failing to negotiate [retransmission consent] in good faith," and provides that entering "into retransmission consent agreements containing different terms and conditions, including price terms," is not a violation of the duty to negotiate in good faith "if such different terms and conditions are based on *competitive marketplace considerations* . . . ." 47 U.S.C. § 325(b)(3)(C) (emphasis added).

[101] DISH Petition at 8: *see also* Letter from Ross Lieberman, Senior Vice President of Government Affairs, ACA, to Marlene H. Dortch, Secretary, Federal Communications Commission (filed Nov. 25, 2016)

[102] *See* Cox Petition at 15.

[103] *See* Letter from Gregory L. Masters, counsel for Nexstar, to Marlene H. Dortch, Secretary, Federal Communications Commission, MB Docket No. 16-57, Exh. A ("Post-Divestiture Audience Reach Chart") (filed Aug. 5, 2016).

[104] *UHF Discount Report and Order*, 31 FCC Rcd at 10234, para. 47.

[105] CWA Petition at 4.

purpose, although it reserved the right to do so in the future.[106] The Commission stated that, although it had the authority to revisit the cap, it must exercise that authority in a rulemaking proceeding outside the quadrennial review process.[107] Further, in the *2002 Biennial Review Order,* the Commission found that the national audience reach cap was not necessary to promote diversity, but rather localism.[108] With respect to the prospect of sale to smaller new entrants, Section 310(d) of the Act prohibits us from determining whether the public interest would be better served by transfer of the licenses to a person other than the proposed transferee.[109]

39. We find that the proposed divestitures will result in compliance with the National Television Ownership Rule, as calculated following elimination of the UHF discount. Consistent with its initial pledge, the Post-Divestiture Audience Reach Chart indicates that Nexstar will have an attributable interest in stations reaching 38.905 percent, a figure calculated without reference to the UHF discount. An independent staff analysis confirms compliance with the National Television Ownership Rule. As noted above, we also find that the assignees of the stations to be spun off are independent from Nexstar.

E. Requests for Continuing "Satellite Exemptions"

40. Post-merger Nexstar has requested continued satellite exemptions, none of which are contested, to the Local Television Ownership Rule for the following combinations, pursuant to Note 5 of Section 73.3555:[110]

- WCDC-TV, Adams, Massachusetts, as a satellite of WTEN(TV), Albany, New York;[111]
- KBVO(TV), Llano, Texas, as a satellite of KXAN-TV, Austin, Texas;[112]
- KHAW-TV, Hilo, Hawaii and KAII-TV, Wailuku, Hawaii, as satellites of KHON-TV, Honolulu, Hawaii;[113]
- KDLO-TV, Florence, South Dakota and KPLO-TV, Reliance, South Dakota, as satellite stations of KELO-TV, Sioux Falls, South Dakota;[114] and
- KSNC(TV), Great Bend, Kansas, as a satellite of KSNW(TV), Wichita, Kansas.[115]

41. In *Television Satellite Stations,*[116] the Commission stated that applicants seeking to transfer or assign a television satellite station are entitled to a "presumptive" exemption from Section 73.3555(b) of the Commission's rules if the parent/satellite combination meets three criteria: (1) there is no City Grade overlap between the parent and the satellite; (2) the proposed satellite would provide

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[106] *UHF Discount Report and Order*, 31 FCC Rcd at 10252-53, para. 40.

[107] *Id.*

[108] *Id.* at 10237, para. 9 (citing *2002 Biennial Regulatory Review, Report and Order*, 18 FCC Rcd. 13520, 13842, para. 578 (2003) ("*2002 Biennial Review Order*")).

[109] 47 U.S.C § 310(d).

[110] 47 C.F.R. § 73.3555, Note 5.

[111] File No. BTCTTV-20160210AHO.

[112] File No. BTCCDT-20160210AEV.

[113] File No. BTCCDT-20160210AFF.

[114] File No. BTCCDT-20160211AAG.

[115] File No. BTCCDT-20160210AFF.

[116] *Television Satellite Stations Review of Policies and Rules,* Report and Order, 6 FCC Rcd 4212 (1991), *subsequent citations omitted* ("*Television Satellite Stations*").

service to an underserved area; and (3) no alternative operator is ready and able to construct or to purchase and operate the satellite as a full-service station.[117] If an applicant cannot qualify for the presumption, the Commission will evaluate the proposal on an *ad hoc* basis, and grant the application if there are compelling circumstances that warrant approval.[118] In the recently released *2016 Quadrennial Second Report and Order*, the Commission stated that, in applying the presumptive standard to any request for a continuing satellite exemption, there "is no digital counterpart to a station's analog city grade contour," and "[a]ccordingly, consistent with case law developed after the digital transition, [the staff will] evaluate all future requests for new or continued satellite status on an *ad hoc* basis."[119]

42. The staff granted, on an *ad hoc* basis, continuing satellite exemptions for WCDC-TV, KDLO-TV, and KPLO-TV in 2013, and continuing satellite exemptions for KBVO(TV), KHAW-TV, KAII-TV, and KSNC(TV) in 2014. The Applicants state that all the satellites continue to serve underserved areas. They rely on the Commission's "transmission test" for five stations – WCDC-TV, KBVO(TV), KDLO-TV, KPLO-TV, and KSNC(TV).[120] The Applicants represent that WCDC-TV continues to be the only full-power television station licensed in Adams, Massachusetts; that KBVO(TV) continues to be the only full-power television station licensed to Llano, Texas; that KDLO-TV and KPLO-TV continue to be the only full-power television stations licensed to their respective communities of license, Florence, South Dakota and Reliance, South Dakota; and KSNC(TV) continues to be the only full-power television station licensed to Great Bend, Kansas.[121]

43. With respect to KHAW-TV and KAII-TV, the Applicants contend that the geography of Hawaii limits coverage of the market and justifies both stations operating as satellites of KHON-TV. Specifically, they explain that the Hawaiian market has population centers widely dispersed across eight islands, separated by large bodies of water and mountainous terrain that can obstruct broadcast signal reception.[122] They also point out that all of the other full-power stations licensed to Hilo, Hawaii are satellite stations, and all but one full-power station (a non-commercial educational station) licensed to Wailuku, Hawaii are satellite stations.[123]

44. The Applicants have also submitted a showing that no alternative operator is ready and able to assume operation of these satellite stations as full-service stations. The Applicants have filed a series of letters from Mr. W. Lawrence Patrick, Managing Partner of Patrick Communications, a media brokerage firm that specializes in television station transactions, to support this contention.[124] Mr. Patrick asserts that he has been involved in the broadcast industry for over 40 years and has previously brokered sales of television stations in all the markets at issue. In each letter, Mr. Patrick concludes that lack of access to programming would make the stations unable to operate as viable standalone full-power stations.[125] Mr. Patrick asserts that in all five markets all major networks already have affiliations with other stations, which would leave these stations with no primary network programming. Such a scenario

[117] *Id.* at 4213-4214, para. 12.

[118] *Id.* at 4214, para. 14.

[119] *2016 Quadrennial Second Report and Order*, 31 FCC Rcd at 9876, para. 32 n. 72.

[120] *Television Satellite Stations*, 6 FCC Rcd at 4215. Under the Commission's "transmission test," an area is deemed underserved if there are two or fewer full-service television stations licensed to a proposed satellite's community of license.

[121] Comprehensive Exhibit. at 31, 32, 34, 35.

[122] *Id.* at 33.

[123] *Id.*

[124] *Id.* at Attachments D-1, D-3, D-4, D-5, and D-6. All the letters are dated January 5, 2016.

[125] *See e.g., Id.* at Attachment D-1, p. 80-81.

would leave the stations unable to compete for audience and revenue.

45. Mr. Patrick highlights the trouble that each individual satellite station would face as a standalone station in the five distinct markets. First, with regard to WCDC-TV, he asserts that the DMA already has affiliates of each of the four major national broadcast networks, as well as CW, ION, and MyNet, and the station is unlikely to be able to secure any network affiliation.[126] Second, he states that KBVO(TV) is licensed to Llano rather than Austin, and that its MyNet affiliation has not proven sufficient to achieve a competitive position in the market capable of generating a revenue base sufficient for a standalone operation. In particular, KBVO(TV) benefits from sharing expenses and facilities with KXAN-TV.[127] Third, Mr. Patrick asserts that the large, geographically dispersed nature of Hawaii would make it difficult for either KHAW-TV or KAII-TV to operate independently because neither of them provides a signal capable of covering the entire market or Honolulu, the largest city in the DMA.[128] Fourth, Mr. Patrick explains that the geographically expansive nature of the Sioux Falls-Mitchell, South Dakota DMA, and the lack of coverage of the DMA by KDLO-TV and KPLO-TV, render those stations unlikely to attract any potential buyers.[129] Lastly, Mr. Patrick discusses KSNC(TV), which he notes is also located in a geographically dispersed market. Mr. Patrick contends that, if forced to operate as a standalone station, KSNC(TV) would be able only to provide a significantly diminished service and not even be able to provide a signal to Wichita, the largest city in the DMA.[130]

46. Based on our review of the materials submitted, we find that the Applicants have provided compelling circumstances that justify continued authorization of WCDC-TV, KDLO-TV, KPLO-TV, KBVO(TV), KHAW-TV, KAII-TV and KSNC(TV) as satellites. All seven stations have a history of operating as satellites and have recently been granted continuing satellite exemptions.[131] In the case of KHAW-TV and KAII-TV, the Commission has long held that the unique geography of the Hawaiian islands poses challenges for television stations located in the outer islands.[132] Moreover, the staff has also recognized that the Wichita-Hutchinson market, in which KSNC(TV), Great Bend, Kansas, is located, is an extremely large, rural DMA that is difficult for a single broadcast television signal to cover.[133] We see no evidence in the record that the "satellite exemptions" will harm competition in any of the television markets at issue. Indeed, we find that the "satellite exemptions" will benefit the public interest by encouraging investment in the broadcast industry and promoting access to broadcast services where without the satellite exemption it might otherwise not be feasible.

F. Request for Continuation of Existing "Failing Station" Waivers

47. The Applicants have requested continuation of "failing station" waivers pursuant to Note 7 of Section 73.3555 of the Commission's rules[134] to allow continued ownership of duopolies in two

[126] *Id.* at Attachment D-1, p. 80.

[127] *Id.* at Attachment D-3, p. 86.

[128] *Id.* at Attachment D-4, p. 91.

[129] *Id.* at Attachment D-5, p. 97-98.

[130] *Id.* at Attachment D-6, p. 102.

[131] *See J. Stewart Bryan*, 28 FCC Rcd at 15519-21, paras. 22-29; *Media General/LIN*, 29 FCC Rcd at 14806-08, paras. 16-22.

[132] *See Argyle Television, Inc.*, Memorandum Opinion and Order, 12 FCC Rcd 10737 (1997); *Providence Journal Company*, Memorandum Opinion and Order, 12 FCC Rcd 2883, 2889-90, paras. 17 (1997); *BC License Subsidiary L.P. et al.*, Memorandum Opinion and Order, 10 FCC Rcd 10968, 10982, para. 44 (1996)

[133] *LINT Co.*, Memorandum Opinion and Order, 15 FCC Rcd 18130 (MMB 1997).

[134] 47 C.F.R. § 73.3555(b); *see K. Rupert Murdoch,* Memorandum Opinion and Order, 21 FCC Rcd 11499, 11500, para. 5 (2006) ("failing station" waivers must be reevaluated, *de novo,* in the context of a long-form change of control application).

markets.[135] Currently, a Media General subsidiary is the licensee of stations WSPA-TV, Spartanburg, South Carolina and WYCW(TV), Asheville, North Carolina, which are both located in the Greenville-Spartanburg-Asheville DMA. WYCW(TV) has been operating pursuant to a "failing station" waiver since 2002,[136] and the Bureau granted a continuation of that waiver in 2013.[137] In the Hartford-New Haven, Connecticut DMA, a Media General subsidiary is the licensee of stations WCTX(TV) and WTNH(TV), each licensed to New Haven, Connecticut. The Bureau initially permitted a duopoly between WCTX(TV) and WTNH(TV) in 2002, when it granted an "unbuilt" station waiver.[138] In 2014, subsequent to construction, the Bureau granted a "failing station" waiver to WCTX(TV).[139] For the reasons stated below, we grant the requests for continued "failing station" waivers.

48. The Commission has defined a "failing station" as one that has been struggling for "an extended period of time both in terms of its audience share and financial performance."[140] The criteria for a "failing station" waiver of the Local Television Ownership Rule are: (1) one of the merging stations has had a low all-day audience share (*i.e.* 4 percent or lower); (2) the station has had negative cash flow for the previous three years; (3) the merger will produce tangible and verifiable public interest benefits; and (4) the in-market buyer is the only reasonably available candidate willing and able to acquire and operate the station and selling the station to an out-of-market buyer would result in an artificially depressed price.[141] If the applicant satisfies each criterion, a waiver of the Local Television Ownership Rule will be presumed to be in the public interest. However, in furtherance of our statutory obligation under Section 309(d) of the Act, we will "not permit the transfer of a duopoly, unless it meets a rule or waiver standard in effect at the time of transfer."[142]

49. As to the first criterion, Nielsen ratings demonstrate that, with respect to WYCW(TV), the audience share from 9:00 a.m.-to-midnight for viewers 18 and older has remained below 2 percent for calendar years 2014 and 2015,[143] and, with respect to WCTX(TV), has remained below 2 percent since the Commission previously considered its last "failing station" waiver.[144] As to the second criterion, the Applicants have submitted financial data demonstrating negative cash flow for WYCW(TV) and

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[135] Although the Applicants initially requested a "failing station" waiver in the Davenport, Iowa-Rock Island-Moline, Illinois market as well, the proposed divestiture of station KWQC-TV, currently licensed to a Media General subsidiary, to Gray moots the waiver request for joint ownership of WHBF-TV, Rock Island, Illinois, and KWQC-TV, Davenport, Iowa, File No. BALCDT-20160610ABI.

[136] *See Application of Pappas Telecasting of the Carolinas (Assignor) and Media General Broadcasting of South Carolina Holdings, Inc. (Assignee) For Consent to the Assignment of the License for Station WASV-TV, Asheville, North Carolina*, Memorandum Opinion and Order, 17 FCC Rcd 842 (MMB 2002), *aff'd by*, Memorandum Opinion and Order, 17 FCC Rcd 20879 (MMB 2002).

[137] *J. Stewart Bryan*, 28 FCC Rcd at 15521-24, paras. 30-40.

[138] *See* 47 C.F.R. § 73.3555, Note 7(3); *Application of K-W TV, Inc. and WTNH Broadcasting, Inc. for Consent to the Assignment of WCTX(TV), New Haven, Connecticut*, Letter Order, 17 FCCC Rcd 775 (MMB 2002).

[139] *Media General/LIN*, 29 FCC Rcd at 14812, para. 33.

[140] *Review of the Commission's Regulations Governing Television Broadcasting,* Report and Order, 14 FCC Rcd 12903, 12938, para. 79 (1999) ("*Local Ownership Order*"), *recon. granted in part*, 16 FCC Rcd 1067 (2001) ("*Local Ownership Order on Reconsideration*").

[141] *Id.* at 12939-40, para. 81; 47 C.F.R. § 73.3555, note 7.

[142] *Local Ownership Order on Reconsideration*, 16 FCC Rcd at 1079, para. 36.

[143] Comprehensive Exhibit at 39.

[144] Comprehensive Exhibit at 42.

WCTX(TV) for calendar years 2013, 2014, and 2015.[145] The respective financial statements for WYCW(TV) and WCTX(TV) for the last three full years, adjusted to show the financial performance for each station as a stand-alone operation, show that the operation of each station independently would have resulted in substantial and non-sustainable annual losses.[146] Staff has reviewed the financial statements, and finds that they adequately demonstrate the requisite negative cash flow.[147]

50. As to the third criterion, the Applicants assert that the combined ownership of WSPA-TV and WYCW(TV) continues to allow Media General to produce and broadcast local news programming, specifically for WYCW(TV), including a morning newscast from 7 to 9 a.m. each weekday as well as a daily 10 p.m. half-hour newscast. WYCW(TV)'s morning and nightly newscasts include "live" severe weather coverage, including that of record flooding in October 2015. In addition, the combined ownership with WSPA-TV has permitted WYCW(TV) to cover a number of local community issues of concern, including education, local sports, employment, and politics.

51. The Applicants state that, following Media General's acquisition and construction of WCTX(TV), the station gained the ability to provide important local news and weather programming.[148] WCTX(TV) now broadcasts live news programming at 10:00 p.m. nightly, and recently expanded that newscast to an hour. WCTX(TV) has traditionally aired the Governor's State of the State address live and pledges to continue to serve as an alternative distribution source for important programming, especially for breaking news and public affairs. In addition, WCTX(TV) submits that common operation with another in-market station has facilitated substantial operational and infrastructure investments, including an IT upgrade, enhanced weather forecasting equipment, new traffic technology, and a signal encoder upgrade.

52. To demonstrate compliance with the fourth criterion, the Applicants have submitted letters from W. Lawrence Patrick.[149] Mr. Patrick states that he has previously brokered station sales in the Hartford-New Haven DMA and is very familiar with that and the Greenville-Spartanburg-Asheville DMA. With regard to the New Haven My network affiliate, WCTX(TV), Mr. Patrick submits that the competition among the major network affiliated stations in the DMA is very strong. He explains that WCTX(TV)'s share of revenue has declined over the past few years, and that given the level of competition in the DMA, WCTX(TV) would be unable as a standalone station to maintain the local programming and service to the community that it currently provides.[150] New Haven is one of the smaller population centers in this DMA, and one that is not centrally located.[151] In particular, Mr. Patrick states that he has "reviewed the sales of all My network affiliates in the top 50 markets since 2009 (the subject market is #30)," and that "[t]here were no instances of an out-of-market buyer purchasing a standalone My network affiliate such as WCTX."[152] He goes on to state that all such affiliates "were purchased by an in-market-buyer or by an entity with Shared Services Agreement or Joint Sales Agreement in place with

[145] *Id.* at 39, 42; Atts. E-2, E-3. Specific financial information relating to the stations' current operations have been submitted to the Commission with requests for confidential treatment.

[146] *Id.* at 39, 42.

[147] *See Media General/LIN*, 29 FCC Rcd at 14812, para. 32.

[148] *Id.* at 42-43.

[149] *Id.* at Att. E-2 and E-3. Both letters are dated January 5, 2016.

[150] *Id.* at Att E-3, p. 119.

[151] Att. E-3 at 120.

[152] *Id.*

another station in the market."[153] He concludes that, "[G]iven the low chance of success in finding any buyer other than an in-market buyer, I would decline to take the listing . . . ."[154]

53. Mr. Patrick explains that Asheville, to which WYCW(TV) is licensed, is a smaller population center in the DMA that is not centrally located, and the station would have difficulty both in achieving full signal coverage of the market as well as reaching all DMA cable head ends. In his opinion, given the CW network affiliation and the number of other stations in the market competing for quality syndicated programming, the costs of providing a full programming schedule as a standalone station would be prohibitive. He concludes that the marketing of WYCW(TV) as a standalone station would be unsuccessful given the marginalized nature of the operation, and that a buyer would be hard pressed to find compelling programming sufficient to survive.[155] In particular, Mr. Patrick states that he has "reviewed the sales of all CW network affiliates in markets of comparable size since 2009 (the subject market is #37)," and that "[t]here were no instances of an out-of-market buyer purchasing a standalone CW network affiliate such as WYCW."[156] He goes on to state that all such affiliates "were purchased by an in-market-buyer or by an entity with Shared Services Agreement or Joint Sales Agreement in place with another station in the market."[157] He concludes that "[G]iven the low chance of success in finding any buyer other than an in-market buyer, I would decline to take the listing . . . ."[158] In both cases, he concludes that "no knowledgeable and experienced television operator could be found that would provide a viable [standalone] full service operation . . . and that an effort to find a qualified out of market buyer would either be fruitless or at a very depressed price." [159]

54. The requests for "failing station" waivers are uncontested. Based on the totality of the circumstances,[160] we find that grant of a waiver of the Local Television Ownership Rule to permit common ownership of WSPA-TV and WYCW(TV), and to permit common ownership of WTNH(TV) and WCTX(TV), is warranted on the grounds that WYCW(TV) and WTNH(TV) are "failing stations." With respect to the fourth criterion in particular, although we do not generally accept predictive judgments by brokers or analysts, we do recognize the evidentiary value of fact-based broker due diligence.[161] We find that Mr. Patrick's letters are not merely predictive but instead sufficiently based on an examination of actual in-market data and evaluation of similarly situated out-of-market station sales over a substantial period of time. Mr. Patrick's evaluation is representative of the due diligence that a licensee customarily engages in when it is actively determining the feasibility of selling a station.[162] We

[153] *Id.*

[154] *Id.* at 120-121.

[155] *Id.* at Att. E-2, p. 114.

[156] *Id.*

[157] *Id.*

[158] *Id.*

[159] Attachment E-2 at 115; Att. E-3 at 121.

[160] *Tribune Bankruptcy Order*, Memorandum Opinion and Order, 27 FCC Rcd at 14261, para. 52 (MB 2012) (finding that, under the totality of the circumstances, predictive judgments by brokers or analysts may be sufficient for demonstrating compliance with the fourth criterion.).

[161] *See, e.g., Media General/LIN*, 29 FCC Rcd at 14812, para. 32 (recognizing that a similar broker evaluation constitutes due diligence).

[162] *See id.* Note 7 of section 73.5555 of the Commission's rules identify that one way to demonstrate compliance with the fourth criterion is an "affidavit from an independent broker affirming that active and serious efforts have been made to sell the permit and that no reasonable offer from an entity outside the market has been received," 47 C.F.R. § 73.3555, Note 7. However, *Media General/LIN* emphasized that "[t]he Commission's rules do not identify

find that in the context of this transaction it would be contrary to the public interest to require a licensee to needlessly go through the process of putting its "failing" station up for sale when, as part of the due diligence process and based on comparable market data, an independent broker has concluded that an in-market buyer is the only reasonable candidate to buy the station and that selling to an out-of-market buyer would result in an artificially depressed price.[163]

55. The combined operations of WYCW with WSPA-TV, and of WCTX(TV) with WTNH(TV), respectively, will pose minimal harm to our diversity and competition goals because the financial situation of both WYCW and WCTX(TV) hampers each station's ability to be a viable voice in the market absent a "failing" station waiver. Based on the facts and circumstances, including news and public affairs coverage that would not otherwise be possible, we find that in each instance combined operation will benefit the public interest.

G. Legacy JSAs

56. The Applicants have requested, to the extent necessary, a temporary waiver of the Local Television Ownership Rule for six legacy JSAs, all of which are attributable under the standard adopted in the *2014 Quadrennial Report and Order*[164] and readopted in the *2016 Quadrennial Second Report and Order*.[165] The legacy JSAs, all entered into prior to the grandfathering cut-off date of March 31, 2014, established in the *2014 Quadrennial Report and Order* and readopted in the *2016 Quadrennial Second Report and Order*, involve the following brokered stations:

- WXXA-TV, Albany, New York;
- WBDT(TV), Springfield, Ohio;
- WLAJ(TV), Lansing, Michigan;
- KTKA-TV, Topeka, Kansas;
- WYTV(TV), Youngstown, Ohio; and
- WAGT(TV), Augusta, Georgia.[166]

To the extent necessary, the Applicants request a temporary waiver to allow the legacy JSAs to continue until September 30, 2025.[167]

57. In light of Commission actions subsequent to the filing of the Applications, we dismiss the temporary waiver requests as moot. First, with regard to the JSA governing the sale of WAGT(TV)'s advertising time by Media General-operated station WJBF(TV), no waiver request is necessary as Gray Television Licensee, LLC ("Gray"), which purchased WAGT(TV) as part of its acquisition of Schurz Communications, Inc., voluntarily terminated the JSA.[168]

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this as the only" means of demonstrating compliance with the four criterion. *Media General/LIN*, 29 FCC Rcd at 14812, para. 32.

[163] This approach is consistent with our practice in other, similar transactions. *See, e.g., Schurz Communications, Inc.*, Order, 31 FCC Rcd 1113, 1118 (Vid. Div. MB 2016); *Stewart Bryan III*, 28 FCC Rcd at 15524, para. 39.

[164] *2014 Quadrennial Report and Order*, 29 FCC Rcd at 4533, para. 350.

[165] *2016 Quadrennial Second Report and Order*, 31 FCC Rcd at 9888, para. 62.

[166] Comprehensive Exhibit at 44-45.

[167] *Id.* at 45 (citing *Media General/LIN*, 29 FCC Rcd at 14805-06 (granting a temporary waiver to legacy JSAs which were "only an incidental aspect of a large multi-station, multi-market transaction")).

[168] We note, in this regard, that termination of the JSA was a specific condition of our grant of the assignment of WAGT(TV) to Gray. *Schurz Communications, Inc.*, Memorandum Opinion and Order, 31 FCC Rcd 1113, 1119 (MB Vid. Div. 2016). As the Commission noted in the *2016 Quadrennial Second Report and Order*, "any television

58. With regard to the other five JSAs, the *2016 Quadrennial Second Report and Order* revised the transition procedures to provide explicit grandfathering relief for transfer or assignment of the JSAs at issue here. Specifically, the Commission retained the previous effective date for application of the grandfathering relief of March 31, 2014, but extended the cut-off date through September 30, 2025.[169] Significantly, the *2016 Quadrennial Second Report and Order* also declared that, "[u]ntil that time, such grandfathered agreements will not be counted as attributable, and parties will be permitted to transfer or assign these agreements to other parties without terminating the grandfathering relief."[170] Therefore, the assignment of these agreements from Media General subsidiaries to Nexstar does not create attributable interests for Nexstar, and the compliance with the Local Television Ownership Rule renders moot any request for waiver. The revision of this grandfathering relief also warrants the dismissal as moot of any of the Petitioners' concerns regarding the status under our prior precedent of the transfer or assignment of grandfathered JSAs.[171]

H. Request for Waiver of Bar on Transfers of Control of Reverse Auction Applicants

59. The Applicants have requested a waiver of the Commission's rule barring assignment of a license subject to a reverse auction application or transfer of control of a reverse auction applicant during the pendency of the auction.[172] The Applicants state that the licensees of certain Media General

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JSA that previously lost grandfathering relief as a result of a condition imposed by the Commission in the approval of a transaction may seek to have the condition rescinded," and "[u]pon request of the transferee or assignee of the station license, [the staff] will rescind the condition and permit the licensees of the stations whose advertising was jointly sold pursuant to such agreement to enter into a new JSA—to the extent that both parties wish to enter into the agreement—on substantially similar terms and conditions as the prior agreement." *2016 Quadrennial Second Report and Order*, 31 FCC Rcd at 9889, para. 63 n. 171.

[169] *2016 Quadrennial Second Report and Order*, 31 FCC Rcd at 9889, para. 63.

[170] *Id.*

[171] *See, e.g.*, CWA Petition at 5-10 (arguing that it is established Commission policy that, when a station which is party to an attributable JSA is transferred or assigned, the JSA must be dissolved).

[172] Comprehensive Exhibit at 46. The Applicants' original waiver request in the Comprehensive Exhibit did not specify the rules for which the Applicants sought waivers. Nonetheless, Applicants plainly seek relief comparable to a previously granted waiver with respect to license applications accepted by the Commission for filing prior to the auction for which Applicants do not qualify. *See* Comprehensive Exhibited at 46-48; *Guidance Regarding the Prohibition of Certain Communications During the Incentive Auction, Auction 1000*, Public Notice, 30 FCC Rcd 10794, 10802-03, paras. 22-24 (WT 2015) ("*Prohibited Communications PN*"). In their Supplement to Request for Waiver, the Applicants specify that they request that the Commission waive Sections 1.2204(b) and 1.2204(d)(3) of the Commission's rules. Supplement to Request for Waiver at 1 (viewable in redacted copy). The previously granted waiver of the bar on assignments of a license subject to an auction application or transfers of control of an applicant in the reverse auction effectively waived Section 1.2204(d)(3). The Public Notice granting that waiver observed that the bar's practical consequences are magnified by Section 1.2204(b)'s requirement that the applicant to participate in the reverse auction must be the broadcast licensee that would relinquish spectrum usage rights if it becomes a winning bidder, but it did not waive that provision. *Prohibited Communications PN*, 30 FCC Rcd at 10802, para. 22. There is no question that the party accountable for the application at any given time, *i.e.* the applicant, will be the licensee who may relinquish spectrum usage rights if it becomes a winning bidder, even though the identity of that party will have changed as a result of the transfers approved herein. Potential concerns arising from the change in the identity of the licensee during the auction are resolved by the Applicants' certification that the transferee will be bound by the transferor's actions in the auction and by compliance with the process for handling transfers during the auction outlined in a prior Public Notice. *See Guidance Regarding License Assignments and Transfers of Control During the Reverse Auction, Auction 1001*, Public Notice, 30 FCC Rcd 14260 (WT 2015). Accordingly, consistent with our action in the *Prohibited Communications PN*, we do not waive Section 1.2204(b).

stations have filed applications to participate in the reverse auction portion of the broadcast incentive auction.[173]

60. Section 1.2204(b) of the Commission's rules requires that the applicant on a reverse auction application must be the broadcast licensee that would relinquish spectrum usage rights if it becomes a winning bidder in the auction. Section 1.2204(d)(3) bars changes in the ownership of an applicant after the auction application filing deadline if such changes "would constitute an assignment or transfer of control."[174] These provisions effectively prevent a station selected to participate in the incentive auction on a licensee's reverse auction application from changing hands until after the auction is completed.

61. On October 6, 2015, the staff granted a limited waiver of Section 1.2204(d)(3)'s bar on transfers of control, provided the application for an assignment or transfer of control met the following two conditions: (1) the application was accepted for filing with the Commission as of the deadline to submit an application to participate in the reverse auction, and (2) the application included the express representation that the party that will hold the license(s) upon consummation agrees to be bound by the original applicant's actions in the auction with respect to the licenses.[175] In granting the conditional waiver, Commission staff reasoned that the bar could otherwise discourage participation in the reverse auction and that the waiver conditions assure that the relevant parties are identified to the Commission prior to the deadline for applications.[176] The Applicants meet criteria (2) because Nexstar has certified that it will "agree[] to be bound by MEG's actions in the auction, if any, with respect to the transferred or assigned stations to the same extent and in the same manner as Nexstar would be bound had it taken such actions itself."[177]

62. As for criterion (1), the deadline for applications to participate in Auction 1001, the "reverse auction" portion of the incentive auction, was January 12, 2016. The first application seeking consent to transfer control of Media General licenses was not accepted for filing for purposes of the *Prohibited Communications PN* until February 11, 2016. These applications therefore fall outside the limited waiver granted in the *Prohibited Communications PN.* For the reasons explained below, we nevertheless grant Applicants a waiver of the bar on assignments of a license subject to a reverse auction application or transfers of control of a reverse auction applicant in order to permit consummation of the instant transaction.

63. The Applicants assert that unique circumstances justify an individual waiver in this instance. The Applicants publicly announced the completion of negotiation of terms for this transaction on January 7, 2016, prior to the deadline for filing applications to participate in the reverse auction.[178] However, the Applicants did not have applications for relevant transfers accepted for filing before the January 12, 2016, deadline for applying to participate in the reverse auction. At the time, MEG remained a party to a merger agreement with Meredith Corp., for which the applications for approval had been filed with the Commission, thus constraining the Applicants from filing for the subsequent transaction.[179] Specific provisions in the agreement between MEG and Meredith Corp. entitled Meredith Corp. to

[173] Comprehensive Exhibit at 46.

[174] 47 C.F.R. §§ 1.2204(b) and (d)(3). This bar does not apply to *pro forma* transfer and assignment applications.

[175] *Guidance Regarding the Prohibition of Certain Communications During the Incentive Auction*, Auction 1000, Public Notice, 30 FCC Rcd 10794, 10803, para. 23 (WT 2015) ("*Prohibited Communications PN*").

[176] *Id.* at 10803, paras. 23-24.

[177] Comprehensive Exhibit at 47.

[178] Supplement to Request for Waiver at 5 (viewable in redacted copy) (citing press release).

[179] Pursuant to Section 73.3518, "[w]hile an application is pending and undecided, no subsequent inconsistent or conflicting application may be filed by or on behalf of or for the benefit of the same applicant, successor or assignee." 47 C.F.R. § 73.3518.

counter Nexstar's unsolicited bid in certain circumstances. The fiduciary duties of MEG's Board of Directors to consider alternate offers added to the complexity and delay in reaching a final agreement to terminate the MEG/Meredith transaction as well as in completing an executed agreement between Nexstar and MEG.

64. Section 1.3 of the Rules permits the Commission to waive any rule for "good cause." We find that "good cause" exists to waive section 1.2204(d)(3) in this limited instance for much the same reason as the conditional waiver previously issued, notwithstanding the fact that the Applicants did not satisfy the first condition of that waiver by having their applications to transfer the relevant licenses accepted for filing prior to the deadline for applying to participate in the reverse auction. We note that the Applicants completed their negotiation of this transaction prior to the deadline for filing reverse auction applications, but could not file the necessary applications because the agreement between Meredith and Media General was not terminated until January 27, 2016. In light of the particular circumstances that prevented the Applicants from meeting the deadline, as discussed above, we conclude that together (1) the public announcement of the transaction prior to the deadline for filing the applications and (2) the Applicants' compliance with the second condition of the conditional waiver assure that both (a) the relevant parties were known to the Commission prior to the deadline for reverse auction applications and that (b) those applications, and all attendant representations and certifications, remain effective and enforceable notwithstanding the transaction. Absent either of these conclusions, the Applicants' circumstances would not qualify for a waiver on this basis.[180]

65. **The Continuing Prohibition of Certain Communications of Incentive Auction Bids and Bidding Strategies.** Like all other full power and Class A television broadcasters, the Applicants

[180] On November 29, 2016, ACA filed a letter opposing the waiver request. Letter from Barbara Esbin, Counsel for ACA, to Marlene Dortch, Secretary, Federal Communications Commission (filed Nov. 29, 2016) ("Esbin Letter"). We deny the arguments raised by ACA, which filed its letter more than two months after the Applicants' Supplement to Request for Waiver. First, with regard to ACA's contention that the issues raised in the request require full Commission action, *see id.* at 2-4, we find that the waiver request is properly handled by WTB pursuant to its delegated authority to "administer . . . spectrum auctions" and to "act[] on waivers of rules." 47 C.F.R. § 0.131(a), (c). *See* 47 C.F.R. § 0.331. In the *Incentive Auction Report and Order*, the Commission affirmed this delegation of authority to WTB to administer the reverse auction. *See Expanding the Economic and Innovation Opportunities of Spectrum Through Incentive Auctions*, Report and Order, 29 FCC Rcd 6567, 6574, para. 15 (affirming WTB's "well-established authority" with respect to auction procedures), and 6774, para. 499 n.1434 (2014) ("*Incentive Auction R&O*"), *affirmed, National Association of Broadcasters v. FCC*, 789 F.3d 165 (D.C. Cir. 2015) (stating that WTB "has delegated authority with respect to the administration of spectrum license auctions, including . . . the reverse auction component of incentive auctions . . . ."). Despite ACA's claim, the Applicants' waiver request does not present a new or novel issue beyond the scope of WTB's delegated authority. Indeed, WTB's grant of the Applicants' waiver request on delegated authority is consistent with WTB's previous exercise of delegated authority in the *Prohibited Communications PN* to waive section 1.2204(d)(3) with respect to certain transfer applications where the transferee agrees to be bound by the original applicant's actions in the auction regarding the transferred licenses. Contrary to ACA's position, WTB's previous waiver applied to transfer applications granted and consummated during the auction, though it was limited to transfer applications accepted for filing before the deadline for auction applications. *See* Esbin Letter at 3. Consequently, despite ACA's claims, the considerations involved in the present waiver are not different than those in the previous one. As described above, the facts of the present waiver differ from the previous waiver only in that the Applicants here were unable to have transfer applications accepted for filing as of the reverse auction application deadline. The Applicants did, however, publicly announce their transaction prior to the deadline. We find no basis to conclude that the minor variation in the facts presented here creates a new or novel issue beyond WTB's delegated authority. Second, ACA's assertion that the Media Bureau lacks delegated authority to waive an auction rule, *see id.* at 4-8, is mooted by the fact that the WTB is a signatory to this order and has considered the waiver request under its own authority. (ACA's suggestion that the waiver request was improperly filed in a Media Bureau docket, *see id.* at 4-5, is groundless, as the broader proceeding on the merger was properly docketed in the Media Bureau and the matter was properly announced via public notice, giving all interested parties an opportunity to respond.) Third, we reject ACA's argument that the Applicants have failed to justify their waiver request, *see id.* at 8, for the reasons discussed above.

have been and remain subject to the Commission's rules prohibiting certain communications during the incentive auction.[181] Generally, a broadcaster and its related entities are prohibited from communicating any incentive auction applicant's bids or bidding strategies, whether of the broadcaster or another party, to any other broadcaster, forward auction applicant, or related entities.[182] There is an express exception to the prohibition that permits communication of bids and bidding strategies between commonly owned broadcasters.[183] However, the exception applies only to broadcasters that were commonly owned as of the deadline for filing an application to participate in the reverse auction. The Commission has made clear that new owners of an entity after the deadline are subject to the prohibition but do not qualify for the co-owned exception.[184]

66. Neither the waiver of the bar on transfers of control of an auction applicant granted in the *Prohibited Communications PN* nor the waiver granted herein alters in any respect the prohibition on certain communications of incentive auction bids or bidding strategies. Accordingly, licensees that were prohibited from communicating any incentive auction applicant's bids and bidding strategies to one another as of the deadline for applying to participate in the incentive auction remain prohibited from doing so, notwithstanding the pre-auction announcement of the transaction or the change of control that will result from the consummation of the transaction.[185] Licensee A that could not communicate regarding bids and bidding strategies with Licensee B as of the deadline for filing applications to participate in the reverse auction cannot communicate to B later because B's parent subsequently assumes control of Licensee A.[186]

IV. CONCLUSION

67. We have reviewed the proposed merger and related pleadings and conclude that grant of the applications as requested will comply with the Commission's rules and Section 310(d) of the Act. As noted above, we find the transaction-related public interest benefits outweigh any public interest harms.[187] We conclude that all the applicants listed in the attached appendices are fully qualified and that grant of

[181] *See* 47 C.F.R. § 1.2205(b)(1).

[182] *Id.*

[183] 47 C.F.R. § 1.2205(b)(2)(i) and (ii).

[184] *See* 47 C.F.R. § 1.2205, Note 3; *Incentive Auction R&O*, 29 FCC Rcd at 6740, para. 405 and n.1203 (2014), ("Consequently, if a covered television licensee appoints a new officer after the application deadline, that new officer would be subject to the rule and not included within the exception.") (emphasis in original).

[185] *See Prohibited Communications PN* at 10803, para. 23 n.40 ("We note that the reverse auction rule prohibiting certain communications will continue to apply with regard to the bids or bidding strategies of the parties to the transaction."). The *Prohibited Communications PN* provides detailed guidance regarding compliance with the prohibition, including with respect to what constitutes bids or bidding strategies and what steps may be taken to minimize the possibility of a violation. *See generally Prohibited Communications PN.*

[186] This does not necessarily prohibit Licensee A from reporting its auction status to its new corporate parent. In fact, the same individuals at the corporate parent might know the status of A and B, so long as those individuals do not direct the bids and bidding strategies of either. However, a violation of the rule could result where the same individual(s) within the corporate parent both (i) learn A's bids and bidding strategies and then (ii) make bids or bidding strategies for B (or vice versa). Individuals making bids or bidding strategies for B while knowing A's bids or bidding strategies may be influenced by that information, thereby effectively communicating A's bids or bidding strategies to B, in violation of the prohibition. *See Prohibited Communications PN* at 10800, para. 15. Though covered parties must assure their compliance with the rule, one possibility might be for a corporate parent to have separate teams, subject to information firewalls, to handle the bidding for stations that, pursuant to the rule, are prohibited from communicating with each other about bids and bidding strategies. *See Prohibited Communications PN* at 10802, paras. 20-21. As past guidance has cautioned, "[i]nformation firewalls or equivalent procedures are not an absolute defense against an alleged violation of the prohibited communications rule." *Id.* at 10799, para. 14.

[187] *See supra* Section III.B.

the following applications will serve the public interest, convenience, and necessity.

V. ORDERING CLAUSES

68. Accordingly, **IT IS ORDERED**, That the Petition to Deny filed by the Communications Workers of America, Free Press, Common Cause, Public Knowledge, and the Open Technology Institute at New America **IS DIMISSED IN PART, AND DENIED IN PART.**

69. **IT IS FURTHER ORDERED**, That the Petition for Conditions filed by Cox Communications, Inc. **IS DENIED.**

70. **IT IS FURTHER ORDERED**, That the Petition to Deny or Impose Conditions filed by DISH Network L.L.C., the American Cable Association, and ITTA **IS DENIED.**

71. **IT IS FURTHER ORDERED**, That the applications listed in Appendix A seeking consent to transfer control of the license subsidiaries of Media General, Inc. to Nexstar Media Group, Inc. pursuant to Section 310(d) of the Communications Act of 1934, 47 U.S.C. § 310(d), **ARE GRANTED,** conditioned upon consummation of transactions represented by the applications listed in Appendix B.

72. **IT IS FURTHER ORDERED**, That the requests for continued operation of WCDC-TV, Adams, Massachusetts, as a satellite of WTEN, Albany, New York ; KBVO(TV), Llano, Texas, as a satellite of Station KXAN-TV, Austin Texas; KHAW-TV, Hilo, Hawaii and KAII-TV, Wailuku, Hawaii, as satellites of KHON-TV, Honolulu, Hawaii; KDLO-TV, Florence, South Dakota and KPLO-TV, Reliance, South Dakota, as satellite stations of KELO-TV, Sioux Falls, South Dakota; and KSNC(TV), Great Bend, Kansas, as a satellite of Station KSNW(TV), Wichita, Kansas, pursuant to the "satellite exception" of Note 5 to Section 73.3555 of the Commission's rules, 47 C.F.R. § 73.3555, **ARE GRANTED.**

73. **IT IS FURTHER ORDERED**, That the requests for a waiver of Section 73.3555 of the Commission's rules, 47 C.F.R. § 73.3555, pursuant to Note 7, the "failing" station waiver standard, to permit continued ownership of Stations WYCW(TV), Asheville, North Carolina and WCTX(TV), New Haven, Connecticut, **ARE GRANTED.**

74. **IT IS FURTHER ORDERED**, That the request for waiver of section 1.2204(d)(3) of the rules prohibiting the transfer of control of participating stations during the pendency of the Incentive Auction, **IS GRANTED.**

75. **IT IS FURTHER ORDERED,** That the applications seeking consent to assign the license of KXRM-TV, Colorado Springs, Colorado, File No. BALCDT-20160211AAB, and WTTA(TV), St. Petersburg, Florida, File No. BALCDT-20160211AAE, from a license subsidiary of Media General, Inc. to Nexstar Broadcasting, Inc., pursuant to Section 310(d) of the Communications Act of 1934, 47 U.S.C. § 310(d), **ARE GRANTED.**

76. **IT IS FURTHER ORDERED,** That the application seeking consent to assign the license of KREG-TV, Glenwood Springs, Colorado, File No. BALCDT-20160517AAD from Nexstar Broadcasting, Inc. to Marquee Broadcasting Colorado, Inc., pursuant to Section 310(d) of the Communications Act of 1934, 47 U.S.C. § 310(d), **IS GRANTED.**

77. **IT IS FURTHER ORDERED**, That the application seeking consent to assign the license of WCWJ(TV), Jacksonville, Florida, File No. BALCDT-20160615AAV, from Nexstar Broadcasting, Inc. to Graham Media Group, Florida, Inc., pursuant to Section 310(d) of the Communications Act of 1934, 47 U.S.C. § 310(d), **IS GRANTED.**

78. **IT IS FURTHER ORDERED,** That the application seeking consent to assign the license of WSLS-TV, Roanoke, Virginia, File No. BALCDT-20160615AAY from a license subsidiary of Media General, Inc. to Graham Media Group, Virginia, LLC., pursuant to Section 310(d) of the Communications Act of 1934, 47 U.S.C. § 310(d), **IS GRANTED.**

79. **IT IS FURTHER ORDERED,** That the applications seeking consent to assign the

licenses of WBAY-TV, Green Bay, Wisconsin, File No. BALCDT-20160610ABG, and KWQC-TV, Davenport, Iowa, File No. BALCDT-20160610ABI from license subsidiaries of Media General, Inc. to Gray Television Licensee, LLC, pursuant to Section 310(d) of the Communications Act of 1934, 47 U.S.C. § 310(d), **ARE GRANTED.**

80. **IT IS FURTHER ORDERED,** That the applications seeking consent to assign the licenses of KQTV, St. Joseph, Missouri, 20160617AAU and WFFT-TV, Fort Wayne, Indiana, File No. BALCDT-20160617AAW, from Nexstar Broadcasting, Inc. to subsidiaries of USA Television MidAmerica Holdings, LLC, pursuant to Section 310(d) of the Communications Act of 1934, 47 U.S.C. § 310(d), **ARE GRANTED.**

81. **IT IS FURTHER ORDERED,** That the applications seeking consent to assign the licenses held by subsidiaries of Media General, Inc. to subsidiaries of USA Television MidAmerica Holdings, LLC, pursuant to Section 310(d) of the Communications Act of 1934, 47 U.S.C. § 310(d), **ARE GRANTED.**

82. **IT IS FURTHER ORDERED,** That the application seeking consent to assign the license of KADN-TV, Lafayette, Louisiana, File No. BALCDT-20160603AAJ from Nexstar Broadcasting, Inc. to BCBL License Subsidiary, LLC, pursuant to Section 310(d) of the Communications Act of 1934, 47 U.S.C. § 310(d), **IS GRANTED.**

83. **IT IS FURTHER ORDERED,** That the application seeking consent to assign the license of KASA-TV, Santa Fe, New Mexico, File No. BALCDT-20160708ABF from a subsidiary of Media General, Inc. to Ramar Communications, Inc., pursuant to Section 310(d) of the Communications Act of 1934, 47 U.S.C. § 310(d), **IS GRANTED.**

84. These actions are taken pursuant to Section 0.61 and 0.283 of the Commission's rules, 47 C.F.R. §§ 0.61, 0.283, and Sections 4(i) and (j), 303(r), 309, and 310(d) of the Communications Act of 1934, as amended, 47 U.S.C. §§ 154(i), 154(j), 303(r), 309, 310(d).

FEDERAL COMMUNICATIONS COMMISSION

William T. Lake
Chief
Media Bureau

Jon Wilkins
Chief
Wireless Telecommunications Bureau

Appendix A

FCC Form 315 Transfer of Control Applications
From Shareholders of Media General, Inc. to Nexstar Media Group, Inc.

Call Sign and Community of License	Facility ID	Application File Number
WTEN(TV), Albany, NY	74422	BTCCDT-20160210AHP
WCDC-TV, Adams, MA[1]	74419	BTCCDT-20160210AHQ
WLNS-TV, Lansing, MI	74420	BTCCDT-20160210AHG
KCLO-TV, Rapid City, SD	41969	BTCCDT-20160211AAF
WRIC-TV, Petersburg, VA	74416	BTCCDT-20160210AHJ
KRON-TV, San Francisco, CA	65526	BTCCDT-20160210AHL
KELO-TV, Sioux Falls, SD	41983	BTCCDT-20160211AAG
KDLO-TV, Florence, SD[2]	41975	BTCCDT-20160211AAI
KPLO-TV, Reliance, SD[3]	41964	BTCCDT-20160211AAH
KLFY-TV, Lafayette, LA	35059	BTCCDT-20160210ACI
WATE-TV, Knoxville, TN	71082	BTCCDT-20160210AGE
WKRN-TV, Nashville, TN	73188	BTCCDT-20160210AHN
WNCT-TV, Greenville, NC	57838	BTCCDT-20160211AAY
WJHL-TV, Johnson City, TN	57826	BTCCDT-20160211AAU
WCBD-TV, Charleston, SC	10587	BTCCDT-20160211AAQ
WFLA-TV, Tampa, FL	64592	BTCCDT-20160211AAO
WSAV-TV, Savannah, GA	48662	BTCCDT-20160211ABA
WJTV(TV), Jackson, MS	48667	BTCCDT-20160211AAV
WHLT(TV), Hattiesburg, MS	48668	BTCCDT-20160211AAS
WSPA-TV, Spartanburg, SC	66391	BTCCDT-20160211ABC
WYCW(TV), Asheville, NC	70149	BTCCDT-20160211ABD
WBTW(TV), Florence, SC	66407	BTCCDT-20160211AAP
WJBF(TV), Augusta, GA	27140	BTCCDT-20160211AAT
WRBL(TV), Columbus, GA	3359	BTCCDT-20160211AAZ
WKRG-TV, Mobile, AL	73187	BTCCDT-20160211AAW
WNCN(TV), Goldsboro, NC	50782	BTCCDT-20160211AAX
WCMH-TV, Columbus, OH	50781	BTCCDT-20160211AAR
KOIN(TV), Portland, OR	35380	BTCCDT-20160210AFP
WIAT(TV), Birmingham, AL	5360	BTCCDT-20160210AFY
KSNW(TV), Wichita, KS	72358	BTCCDT-20160210AFW
KSNC(TV), Great Bend, KS[4]	72359	BTCCDT-20160210AFR
KSNG(TV), Garden City, KS	72361	BTCCDT-20160210AFS
KSNK(TV), McCook, NE	72362	BTCCDT-20160210AFT
KHON-TV, Honolulu, HI	4144	BTCCDT-20160210AFN

[1] Satellite of WTEN(TV), Albany, New York (Facility ID No. 74422).

[2] Satellite of KELO-TV, Sioux Falls, South Dakota (Facility ID No. 41983).

[3] Satellite of KELO-TV, Sioux Falls, South Dakota (Facility ID No. 41983).

[4] Satellite of KSNW(TV), Wichita, Kansas (Facility ID No. 72358).

KHAW-TV, Hilo, HI[1]	4146	BTCCDT-20160210AFM
KAII-TV, Wailuku, HI[2]	4145	BTCCDT-20160210AFF
WKBN-TV, Youngstown, OH	73153	BTCCDT-20160210AFZ
KSNT(TV), Topeka, KS	67335	BTCCDT-20160210AFV
WFNA(TV), Gulf Shores, AL	83943	BTCCDT-20160210ABT
KREZ-TV, Durango, CO	48589	BTCCDT-20160210ABW
KRQE(TV), Albuquerque, NM	48575	BTCCDT-20160210AEP
KBIM-TV, Roswell, NM	48556	BTCCDT-20160210ACJ
WISH-TV, Indianapolis, IN	39269	BTCCDT-20160211ABR
WNDY-TV, Marion, IN	28462	BTCCDT-20160211ABT
WANE-TV, Ft. Wayne, IN	39270	BTCCDT-20160211ABS
KBVO(TV), Llano, TX[3]	35909	BTCCDT-20160210AEW
KXAN-TV, Austin, TX	35920	BTCCDT-20160210AEV
WPRI-TV, Providence, RI	47404	BTCCDT-20160210AGC
WAVY-TV, Portsmouth, VA	71127	BTCCDT-20160210AGY
WVBT(TV), Virginia Beach, VA	65387	BTCCDT-20160210AHE
WDTN(TV), Dayton, OH	65690	BTCCDT-20160210AHH
WHTM-TV, Harrisburg, PA	72326	BTCCDT-20160210AGH
WIVB-TV, Buffalo, NY	7780	BTCCDT-20160210AGG
WNLO(TV), Buffalo, NY	71905	BTCCDT-20160210AGF
WOOD-TV, Grand Rapids, MI	36838	BTCCDT-20160210AGI
WOTV(TV), Battle Creek, MI	10212	BTCCDT-20160210AGP
WCTX(TV), New Haven, CT	33081	BTCCDT-20160210AGS
WTNH(TV), New Haven, CT	74109	BTCCDT-20160210AGR
WWLP(TV), Springfield, MA	6868	BTCCDT-20160210AGU

FCC Form 314 Assignment Application
From LIN Television Corporation to Nexstar Broadcasting, Inc.

Call Sign and Community of License	Facility ID	Application File Number
KXRM-TV, Colorado Springs, Colorado	35991	BALCDT-20160211AAB
WTTA, St. Petersburg, Florida	4108	BALCDT-20160211AAE

[1] Satellite of KHON-TV, Honolulu, Hawaii (Facility ID No. 4144).

[2] Satellite of KHON-TV, Honolulu, Hawaii (Facility ID No. 4144).

[3] Satellite of KXAN-TV, Austin, Texas (Facility ID No. 35920).

FCC Form 316 Transfer of Control Application
From Nexstar Broadcasting, Inc. to LIN Television Corporation (as controlled by Nexstar)

Call Sign and Community of License	Facility ID	Application File Number
KXRM-TV, Colorado Springs, Colorado	35991	BALCDT-20161006AAJ
WTTA, St. Petersburg, Florida	4108	BALCDT-20161006AAM

Appendix B

FCC Form 314 Divestiture Assignment Applications

Call Sign and Community of License	Facility ID No.	Application File No.	Assignor	Assignee
KREG-TV, Glenwood Springs, Colorado	70578	BALCDT-20160517AAD	Nexstar	Marquee Broadcasting, Colorado, Inc.
WCWJ, Jacksonville, Florida	29712	BALCDT-20160615AAV	Nexstar	Graham Media Group, Florida, Inc.
WSLS-TV, Roanoke, Virginia	57840	BALCDT-20160615AAY	Media General	Graham Media Group, Virginia, LLC
WBAY-TV, Green Bay, Wisconsin	74417	BALCDT-20160610ABG	Young Broadcasting of Green Bay, Inc.	Gray Television Licensee, LLC
KWQC-TV, Davenport, Iowa	6885	BALCDT-20160610ABI	Young Broadcasting of Davenport, Inc.	Gray Television Licensee, LLC
KQTV, St. Joseph, Missouri	20427	BALCDT-20160617AAU	Nexstar	St. Joseph TV License Company, LLC
WFFT-TV, Fort Wayne, Indiana	25040	BALCDT-20160617AAW	Nexstar	Ft. Wayne TV License Company, LLC
WLFI-TV, Lafayette, Indiana	73204	BALCDT-20160617AAX	Primeland LLC	Lafayette TV License Company, LLC
KIMT(TV), Mason City, Iowa	66402	BALCDT-20160617AAY	LIN License Company, LLC	Rochester TV License Company, LLC
WTHI-TV, Terre Haute, Indiana	70655	BALCDT-20160617ABH	Indiana Broadcasting, LLC	Terre Haute TV License Company, LLC
KADN-TV, Lafayette, Louisiana	33261	BALCDT-20160603AAJ	Nexstar	BCBL License Subsidiary, LLC
KASA-TV, Santa Fe, New Mexico	32311	BALCDT-20160708ABF	LIN of New Mexico, LLC	Ramar Communications, Inc.