

JUSTICE NEWS

Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

Friday, September 2, 2016

Justice Department Requires Divestitures in Order for Nexstar to Proceed with Media General Acquisition

Nexstar Must Divest Seven Broadcast Television Stations in Six Markets to Upfront Buyers Approved by the Department

The Department of Justice announced today that it will require Nexstar Broadcasting Group to divest seven broadcast television stations in order to proceed with its \$4.6 billion acquisition of Media General Corporation. The department said that without the required divestitures, the prices for broadcast television spot advertising and the fees charged to multichannel video programming distributors (MVPDs) – such as cable and satellite providers – for the retransmission of broadcast television programming to MVPD subscribers would likely increase in six designated market areas (DMAs) located across the United States.

The Justice Department's Antitrust Division filed a civil antitrust lawsuit today in the U.S. District Court of the District of Columbia to block the proposed transaction and simultaneously filed a proposed settlement that, if approved by the court, would resolve the competitive harm alleged in the lawsuit.

"As originally structured, this transaction would have given Nexstar the power to impose higher prices on local and national advertisers and to demand higher retransmission fees from cable and satellite companies in six markets," said Acting Assistant Attorney General Renata Hesse of the Justice Department's Antitrust Division. "Today's settlement will protect advertisers, MVPDs and consumers – who ultimately would have borne many of these increased costs – by ensuring that Nexstar does not obtain undue bargaining leverage when negotiating broadcast television spot advertising prices and retransmission fees."

The department's complaint alleges that the proposed transaction would lessen competition in the sale of broadcast television spot advertising and the licensing of broadcast television programming to MVPDs for retransmission to MVPD subscribers in the following DMAs: Roanoke-Lynchburg, Virginia; Terre Haute, Indiana; Fort Wayne, Indiana; Green Bay-Appleton, Wisconsin; Lafayette, Louisiana; and Davenport, Iowa/Rock Island-Moline, Illinois ("Quad Cities"). As a result of the acquisition, Nexstar would control between 41 and 100 percent of the broadcast television station gross advertising revenues in these six DMAs and at least two broadcast television stations affiliated with the four major national television networks.

Under the terms of the proposed settlement, Nexstar must divest the following television stations to the following acquirers or other acquirers approved by the United States: WBAY-TV, in Green Bay, to Gray Television Inc.; WSLS-TV, in Roanoke-Lynchburg, to Graham Holdings Company; KADN-TV and KLAF-LD, in Lafayette, to Bayou City Broadcasting Lafayette Inc.; WTHI-TV, in Terre Haute, to USA Television MidAmerica Holdings Inc.; WFFT-TV, in Fort Wayne, to USA Television; and KWQC-TV, in Quad Cities, to Gray Television.

Nexstar is a Delaware corporation with its headquarters in Irving, Texas. Nexstar owns, operates or services broadcast television stations in 62 metropolitan areas. Nexstar reported net operating revenues of over \$890 million in 2015.

Media General is a Virginia corporation with its headquarters in Richmond, Virginia. Media General owns, operates or services broadcast television stations in 48 metropolitan areas. Media General reported net operating revenues of

\$1.3 billion in 2015.

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

[Nexstar-Media General CIS](#)

[Nexstar-Media General Complaint](#)

[Nexstar-Media General Explanation](#)

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Updated September 2, 2016