JUSTICE NEWS

**Department of Justice**

Office of Public Affairs

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# Justice Department Requires Structural Relief to Resolve Antitrust Concerns in Nexstar's Merger with Tribune

## Nexstar and Tribune Must Divest Broadcast Television Stations in Thirteen Markets

The Department of Justice announced today that it will require Nexstar Media Group Inc. and Tribune Media Company to divest broadcast television stations in thirteen markets as a condition of resolving a challenge to the proposed $6.4 billion merger between Nexstar and Tribune.

The Justice Department's Antitrust Division, along with the offices of three state Attorneys General, filed a civil antitrust lawsuit in the U.S. District Court for the District of Columbia to block the proposed merger. At the same time, the Division filed a proposed settlement that, if approved by the court, would resolve the suit by remedying the competitive harms alleged in the complaint, through the divestitures and related conditions. The participating state Attorneys General offices represent Illinois, Pennsylvania, and Virginia.

"Without the required divestitures, Nexstar's merger with Tribune threatens significant competitive harm to cable and satellite TV subscribers and small businesses," said Assistant Attorney General Makan Delrahim of the Justice Department's Antitrust Division. "I am pleased, however, that we have been able to reach a resolution of the Division's concerns, thanks in part to the parties' commitment to engage in good faith settlement talks from the outset of our investigation."

According to the complaint, without the divestitures the merger would eliminate head-to-head competition between Nexstar and Tribune in the thirteen local markets in which the divestitures are being required. These markets are centered in Davenport, Iowa; Des Moines, Iowa; Ft. Smith, Arkansas; Grand Rapids, Michigan; Harrisburg, Pennsylvania; Hartford, Connecticut; Huntsville, Alabama; Indianapolis, Indiana; Memphis, Tennessee; Norfolk, Virginia; Richmond, Virginia; Salt Lake City, Utah; and Wilkes-Barre, Pennsylvania.

As a result of the merger, the combined company would likely charge cable and satellite companies higher retransmission fees to carry the combined company's broadcast stations, resulting in higher monthly cable and satellite bills for millions of Americans.

The merger would also enable the company to charge local businesses and other advertisers higher prices for spot advertising in the divestiture markets. Businesses that rely on broadcast advertising benefit from price competition among broadcast station owners. Nexstar and Tribune compete with one another for the business of local advertisers, and the proposed merger would eliminate that competition, harming local businesses.

The Antitrust Division has determined that the divestitures would resolve aforementioned antitrust concerns related to the licensing of retransmission consent and the sale of broadcast television spot advertising that would otherwise result from the merger. The divestitures required under the settlement announced today would, if approved by the court, require Nexstar to sell one or more stations currently owned by either Nexstar or Tribune in each of the thirteen markets. The settlement requires that the divestitures be accomplished in such a way as to satisfy the United States that the divested stations, in consultation with the Attorneys General of Illinois, Pennsylvania, and Virginia, and

associated assets will be used by the buyers as part of a viable and competitive commercial television broadcasting business.

Nexstar is a Delaware corporation with its headquarters in Irving, Texas. Nexstar owns 171 television stations in 100 local markets. In 2018, Nexstar reported revenues of $2.8 billion.

Tribune is a Delaware corporation with its headquarters in Chicago, Illinois. Tribune owns 44 television stations in 33 local markets. In 2018, Tribune earned revenues of more than $2.0 billion.

As required by the Tunney Act, the proposed settlement, along with the department's competitive impact statement, will be published in the Federal Register. Any person may submit written comments concerning the proposed settlement within 60 days of its publication to Owen Kendler, Chief, Media, Entertainment, and Professional Services Section, Antitrust Division, U.S. Department of Justice, 450 Fifth Street, N.W., Suite 4000, 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.

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**Attachment(s):**
Download Complaint
Download Notice of Tunney Act Requirements

**Topic(s):**
Antitrust

**Component(s):**
Antitrust Division

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