

**STATEMENT OF
COMMISSIONER MICHAEL O'RIELLY**

Re: *In the Matter of the Applications of Tribune Media Company (Transferor) and Nexstar Media Group, Inc. (Transferee) et al.*, MB Docket No. 19-30.

This Order allows Nexstar to acquire many of Tribune's assets, while others will be transferred to third parties. While I would have supported releasing the Order at the Bureau level, I am nonetheless pleased that we are considering this item upon the request of Commissioners who wished to weigh in on it. As a matter of my process reform efforts, I have long argued that Commissioners ought to have the right to call up any item that has been produced and will be released on delegated authority. In this case, the Chairman agreed to bring the matter before the full Commission, but, for the long-term health of the institution, this practice warrants greater permanence and should be formally adopted and codified. However, the Chairman's allowance of full Commission consideration should not be taken by others as an opportunity to delay expeditious action—and that is particularly important here. Each additional day of delayed consideration has resulted in the diversion of substantial funds to the company's bankers, which would have been better spent on programming, personnel, technology or any other productive use.

On the merits of the item, it is clear that this transaction can be expected to be a win for viewers due to certain efficiencies and consumer opportunities to be gained. Nexstar has a history of increasing news content on the stations it acquires, especially by providing stations access to its state and local public affairs resources. I expect it will do the same here, consistent with commitments made in the transfer applications. Further, Nexstar has been a lead proponent of ATSC 3.0 and plans to increase investment to upgrade the purchased properties to ATSC 3.0 capabilities. This should not be overlooked, given the potential consumer benefits.

On a more fundamental note, today's media landscape has created significant challenges for broadcasters, who are forced to compete against Silicon Valley behemoths for advertising dollars. Any opportunities to enable broadcasters to compete more effectively should therefore be encouraged and embraced. While the Order makes a strong case for allowing this transaction to move forward, it is ironic that we nonetheless spend so much effort scrutinizing whether or not a station is a four or five (or six) in its market, and whether that should even be a factor. Frankly, does this even make a difference when the high-tech giants are competing with the highly-regulated broadcasters for advertising dollars in nearly every local market across the country and with dramatically different economies of scale?

Yet, here we are, forced to split atoms to defend the merits of allowing a top-ranked station owner to purchase a top-four, or -four/-five/-six in this case, station. The inflection point for digital advertising to overtake all other traditional ad platforms is literally happening before our eyes,¹ with television ads having already been surpassed two years ago.² Seismic shifts confronting the television industry threaten to send some entities the way of the newspaper if we do not respect marketplace realities and reorient our transaction regulations and processes, in general, to the way consumers, advertisers, and the market view broadcast television. The tsunami is already sweeping ashore and we're still debating how many umbrellas the beachgoers are allowed to own.

Accordingly, I take significant issue with many of the station spin-offs required of Nexstar by the U.S. Department of Justice in its review. To maintain an effective blanket prohibition on top-four combinations, especially one based on specious claims, is to ignore the case-by-case circumstances and

¹ Press Release, US Digital Ad Spending Will Surpass Traditional in 2019 (Feb. 20, 2019), <https://www.emarketer.com/newsroom/index.php/us-digital-ad-spending-will-surpass-traditional-in-2019/>.

² Interview with Brett Gordon, Associate Professor of Marketing, Kellogg School of Management, (Sept. 5, 2019), <https://insight.kellogg.northwestern.edu/article/companies-digital-advertising-spending>.

market-specific analysis that are supposedly central to that agency's merger review process. Many of these stations, if not all, should have been allowed to transfer to Nexstar. Forcing so many to be spun off is more consistent with the bygone era of black and white television and a dilapidated, out-of-touch philosophy than the modern high-tech world in which we live.

For a multitude of reasons, I approve the transaction.