

NABOB

National Association of
Black Owned Broadcasters

September 23, 2016

The Honorable Tom Wheeler
Chairman
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

**Re: Application of Nexstar Broadcasting Group, Inc. and Media General, Inc. for
Consent to the Transfer of Control and Assignment of Licenses,
MB Docket No. 16-57 – Request for Waiver**

Dear Chairman Wheeler:

The National Association of Black Owned Broadcasters, Inc. (“NABOB”) supports the supplement to the request of Nexstar Broadcasting Group, Inc. (“Nexstar”) and Media General, Inc. (“MEG”) (together the “Applicants”) for a limited waiver of Sections 1.2204(b) and (d)(3) of the Commission’s Rules, 47 C.F.R. §§ 1.2204(b) and (d)(3), filed September 21, 2016 (the “Supplement to Request for Waiver”). The Applicants request the waiver to allow them to consummate their proposed merger transaction (the “Transaction”) prior to the conclusion of the Commission’s broadcast television spectrum incentive auction (the “Incentive Auction”).

As NABOB shall demonstrate below, the waiver should be granted as it will promote the ownership of broadcast television stations by an African American owned company, Bayou City Broadcasting, LLC.

In their Supplement to Request for Waiver, the Applicants demonstrated that a grant of the requested waiver would not undermine the Commission’s rationale for precluding changes in ownership while the Incentive Auction is in progress.¹ The rules at issue were adopted to preclude “changes in ownership after the submission of the application [to] ensure that all of the relevant parties are clearly identified for the purposes of applying the reverse auction rules, including the rule prohibiting certain communications.”² As the Applicants demonstrate, their transaction was negotiated before the Incentive Auction “quiet period” began and was filed just a few days after it began. It has now been nine months since the “quiet period” began, so any

¹ Supplement to Request for Waiver at 7-12.

² *In the Matter of Expanding the Economic & Innovation Opportunities of Spectrum Through Incentive Auctions*, NPRM, 27 FCC Rcd 12357, 12445, ¶254 (2012). See also 29 FCC Rcd 6567, 6751, ¶ 443. N. 1283.

similarly situated parties would have filed their applications many months ago. The Applicants demonstrate that there appears to be only one application for a change of ownership pending before the Commission involving a station that has applied to participate in the Incentive Auction. Thus, there appears to be no risk that the Commission will be presented with a number of similarly situated parties requesting such a waiver.

While there appear to be no public policy concerns requiring a denial of the requested waiver, the Applicants have presented a number of public interest considerations which justify a grant of the requested waiver. Among those public interest benefits is the promotion of minority television ownership.³

Bayou City Broadcasting has entered into an agreement with Nexstar to purchase KADN-TV, Lafayette, LA (Fac. ID 33261) and KLAF-LD, Lafayette, LA (Fac. ID 16535) and has filed an assignment of license application, File No. BALCDT-20160603AAJ. The principal individual owner and operator of Bayou City Broadcasting is DuJuan McCoy, an African American broadcaster with an outstanding record of providing service to the communities in which his company owns stations. Mr. McCoy is a member of the NABOB Board of Directors, and he is highly regarded among his peers in the industry. Bayou City Broadcasting also owns WEVV-TV (Fac. ID 72041) and WEEV-LD (Fac. ID 188022). Bayou City Broadcasting is one of the few African American owned broadcast companies growing in broadcast ownership today.

Unfortunately, the delay that the Nexstar-MEG transaction is experiencing, because of the extended period of time it is taking to conclude the Incentive Auction, is having a significant financial impact on Bayou City Broadcasting, and that impact grows more severe each day. Bayou City Broadcasting obtained a financing commitment to purchase the Nexstar stations in June 2016.⁴ At the time that Bayou City Broadcasting obtained the financing commitment, the Commission had indicated that the Incentive Auction “quiet period” would only last a few months. Now it appears that it could extend well into 2017. The financing commitments obtained by Bayou City Broadcasting contain “ticking fees.” These fees are carrying costs that lenders impose upon borrowers to compensate the lenders for committing their funds, as the lenders cannot then lend the committed funds to another borrower.

Bayou City Broadcasting anticipated paying ticking fees when it committed to purchase the Nexstar stations. However, the extended delay caused by the unanticipated duration of the Incentive Auction is causing Bayou City Broadcasting to incur ticking fees far in excess of those for which it budgeted.⁵ And, importantly, there is no clear end in sight. The trade press has provided dire predictions that the Incentive Auction might go to several more stages before it concludes some time in 2017.⁶ Bayou City Broadcasting clearly did not budget for such an

³ Supplement to Request for Waiver at 13-15.

⁴ Letter to FCC from DuJuan McCoy filed September 22, 2016.

⁵ *Id.*

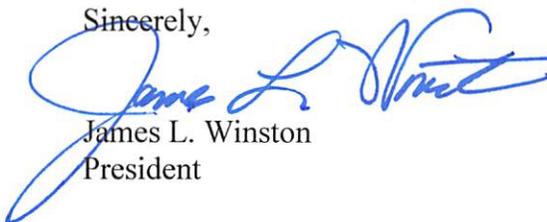
⁶ “Second Stage of Spectrum Auction Unlikely to be Last,” Bloomberg BNA Telecommunications Law Resource Center, September 2, 2016, at: <http://www.bna.com/second-stage-spectrum-n73014447243/>. Referenced on September 9, 2016.

The Honorable Tom Wheeler
September 23, 2016
Page 3 of 3

extended period of time, and it could be seriously financially impacted if the process drags out that long.

NABOB, therefore, requests that the Commission grant the limited waiver requested by the Applicants and permit Bayou City Broadcasting to consummate its purchase of the Nexstar stations as soon as possible. Thank you.

Sincerely,

A handwritten signature in blue ink, appearing to read "James L. Winston", is written over the typed name and title.

James L. Winston
President

cc: Commissioner Mignon Clyburn
Commissioner Jessica Rosenworcel
Commissioner Ajit Pai
Commissioner Michael O'Rielly