

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

Applications Filed for the Transfer of)	
Control and Assignment of Broadcast)	
Television Licenses from)	
)	
Media General, Inc.)	
)	
Transferor, Assignor)	MB Docket No. 16-57
)	
to)	
)	
Nexstar Broadcasting Group, Inc.)	
)	
Transferee, Assignee)	

PETITION FOR CONDITIONS

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March 18, 2016

SUMMARY

Pursuant to Section 73.3587 of the Commission’s rules and Sections 309(d) and 310(d) of the Communications Act of 1934, as amended (the “Act”),¹ Cox Communications, Inc. (“Cox”) hereby petitions the Commission to impose conditions in the event it approves the applications filed in the above-captioned proceeding (“Applications”).² The Applications arise from the proposed acquisition by Nexstar Broadcasting Group, Inc. (“Nexstar”) of Media General, Inc. (“Media General” and, together with Nexstar, the “Applicants”). Absent appropriate conditions, the proposed transaction, which would create the nation’s largest broadcast station group, would cause significant anticompetitive effects and other harms to Cox and its subscribers.

Based on the station assets of the two companies today, a combined Nexstar-Media General would control 171 stations in 100 markets,³ reaching a national audience in excess of the 39 percent cap (excluding the UHF Discount).⁴ Of particular concern to Cox, the proposed transaction would result in a dramatic over-concentration of post-transaction Nexstar’s market power within Cox’s footprint. A staggering **55 percent** of Cox’s video subscribers reside in designated market areas (“DMAs”) with Nexstar- or Media General-owned stations.⁵ The aggregation of market power associated with the proposed transaction therefore threatens to have a disproportionate impact on Cox and its subscribers. In particular, the transaction would enable Nexstar to wield blackout threats that drive up Cox’s retransmission consent fees to unreasonable levels and that present an undue risk of resulting in actual blackouts that deprive millions of consumers of access to broadcast programming. Indeed, Nexstar’s CEO has acknowledged that

¹ 47 C.F.R. § 73.3587; 47 U.S.C. §§ 309(d), 310(d).

² A complete list of the licenses and application file numbers at issue is provided in the Public Notice issued on February 26, 2016 in connection with the transaction. *See* Public Notice, 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., MB Docket No. 16-57 (rel. Feb. 26, 2016) (“Public Notice”); *see also* Public Notice, Media Bureau, Broadcast Applications, Report No. 28671 (rel. Feb. 16, 2016); Public Notice, Media Bureau, Broadcast Applications, Report No. 28672 (rel. Feb. 17, 2016).

³ *See* Press Release, Nexstar Broadcasting Group Enters into Definitive Agreement To Acquire Media General for \$4.6 Billion in Accretive Cash and Stock Transaction (Jan. 27, 2016), <http://cdn.idstatic.com/cms/live/13/NXST-MEG-Transaction-Announcement-1-27-16.pdf?1453902377>.

⁴ *See* CDBS File No. BTCCDT-20160210AFF *et al.*, Comprehensive Exhibit at 2 (acknowledging that the proposed transaction, absent divestitures, would exceed the national television ownership limit when excluding the UHF Discount).

⁵ Declaration of Andrew I. Albert ¶ 4 (dated March 18, 2016) (“Albert Declaration”), attached hereto as Exhibit 1.

a central rationale of such transactions is to use the leverage afforded by consolidation to garner increased retransmission consent fees.⁶

Cox's recent experience negotiating a retransmission consent agreement with Nexstar (even absent the increased scale and over-concentration threatened by the proposed transaction with Media General) leaves no doubt that Nexstar uses threats of blackouts—often timed to exploit multichannel video programming distributor (“MVPD”) subscribers’ fear of losing access to marquee events like the Super Bowl—as a brinkmanship tactic to extract increased fees.⁷ Even assuming such tactics could be squared with the Commission’s existing rules (or soon-to-be-revised good faith rules), the extraordinary market power that the transaction would confer on Nexstar-Media General vis-à-vis Cox and its subscribers requires specific remediation.

The Commission therefore should condition approval of the transaction on carefully tailored requirements to protect Cox’s subscribers from the harms that otherwise would result from the disproportionate bargaining leverage Nexstar would garner as a result of the transaction. In particular, if the Commission ultimately decides to approve the transaction, Cox proposes the following conditions:

- In the event of a retransmission consent dispute between Nexstar and Cox, Nexstar should be required to submit to mediation overseen by the Commission. Such dispute resolution should be conducted by a mediator with knowledge of and experience with industry norms in the retransmission consent arena, and with sufficient access to Nexstar’s and Cox’s retransmission consent agreements to facilitate resolution of the dispute between the parties. In addition, mediation would become available immediately upon either party’s making its last and final offer in carriage negotiations.
- During the pendency of mediation, Nexstar should be prohibited from withholding its signals, subject to a true-up of rates, where applicable, following the execution of a final retransmission consent agreement.
- Nexstar should be prohibited from spinning off any stations in overlap markets to Mission Broadcasting, Inc. (“Mission”), White Knight Broadcasting (“White Knight”), Vaughan Media, LLC (“Vaughan”), Super Towers, Inc. (“Super Towers”), or any other “sidecar” entity in which Nexstar has or (post-transaction) would have a significant interest. The Commission instead should ensure that all

⁶ See, e.g., *Mission Buying 5 Stations for \$103M*, TVNEWSCHECK (Sept. 16, 2013), <http://www.tvnewscheck.com/article/70502/nexstar-mission-buying-5-stations-for-103m> (quoting Perry Sook as stating that Nexstar expects to “realize additional retransmission consent revenues” through a proposed broadcast transaction); Perry Sook and Tom Carter, UBS 43rd Annual Global Media & Communications Conference, *Nexstar Broadcasting Group, Inc.: Keeping it Local*, at 9 (Dec. 8, 2015), attached hereto as Exhibit 2 (describing growth in retransmission consent revenue of Nexstar, which has been driven, in significant part, by station acquisitions).

⁷ Albert Declaration ¶ 9.

such divestitures are made to *bona fide* third-party, independently operated broadcasters.

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⁸ 47 C.F.R. § 73.3587; 47 U.S.C. §§ 309(d), 310(d).

⁹ A complete list of the licenses and application file numbers at issue is provided in the Public Notice issued on February 26, 2016 in connection with the transaction. *See* Public Notice, 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., MB Docket No. 16-57 (rel. Feb. 26, 2016) (“Public Notice”); *see also* Public Notice, Media Bureau, Broadcast Applications, Report No. 28671 (rel. Feb. 16, 2016); Public Notice, Media Bureau, Broadcast Applications, Report No. 28672 (rel. Feb. 17, 2016).

Based on the station assets of the two companies today, a combined Nexstar-Media General would control 171 stations in 100 markets,¹⁰ reaching a national audience in excess of the 39 percent cap (excluding the UHF Discount).¹¹ Of particular concern to Cox, the proposed transaction would result in a dramatic over-concentration of post-transaction Nexstar's market power within Cox's footprint. A staggering **55 percent** of Cox's video subscribers reside in designated market areas ("DMAs") with Nexstar- or Media General-owned stations.¹² The aggregation of market power associated with the proposed transaction therefore threatens to have a disproportionate impact on Cox and its subscribers. In particular, the transaction would enable Nexstar to wield blackout threats that drive up Cox's retransmission consent fees to unreasonable levels and that present an undue risk of resulting in actual blackouts that deprive millions of consumers of access to broadcast programming. Indeed, Nexstar's CEO has acknowledged that a central rationale of such transactions is to use the leverage afforded by consolidation to garner increased retransmission consent fees.¹³

¹⁰ See Press Release, Nexstar Broadcasting Group Enters into Definitive Agreement To Acquire Media General for \$4.6 Billion in Accretive Cash and Stock Transaction (Jan. 27, 2016), <http://cdn.idstatic.com/cms/live/13/NXST-MEG-Transaction-Announcement-1-27-16.pdf?1453902377>.

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Cox’s recent experience negotiating a retransmission consent agreement with Nexstar (even absent the increased scale and over-concentration threatened by the proposed transaction with Media General) leaves no doubt that Nexstar uses threats of blackouts—often timed to exploit multichannel video programming distributor (“MVPD”) subscribers’ fear of losing access to marquee events like the Super Bowl—as a brinkmanship tactic to extract increased fees.¹⁴ Even assuming such tactics could be squared with the Commission’s existing rules (or soon-to-be-revised good faith rules), the extraordinary market power that the transaction would confer on Nexstar-Media General vis-à-vis Cox and its subscribers requires specific remediation.

The Commission therefore should condition approval of the transaction on carefully tailored requirements to protect Cox’s subscribers from the harms that otherwise would result from the disproportionate bargaining leverage Nexstar would garner as a result of the transaction. In particular, if the Commission ultimately decides to approve the transaction, Cox proposes the following conditions:

- In the event of a retransmission consent dispute between Nexstar and Cox, Nexstar should be required to submit to mediation overseen by the Commission. Such dispute resolution should be conducted by a mediator with knowledge of and experience with industry norms in the retransmission consent arena, and with sufficient access to Nexstar’s and Cox’s retransmission consent agreements to facilitate resolution of the dispute between the parties. In addition, mediation would become available immediately upon either party’s making its last and final offer in carriage negotiations.

¹⁴ Albert Declaration ¶ 9.

- During the pendency of mediation, Nexstar should be prohibited from withholding its signals, subject to a true-up of rates, where applicable, following the execution of a final retransmission consent agreement.

- Nexstar should be prohibited from spinning off any stations in overlap markets to Mission Broadcasting, Inc. (“Mission”), White Knight Broadcasting (“White Knight”), Vaughan Media, LLC (“Vaughan”), Super Towers, Inc. (“Super Towers”), or any other “sidecar” entity in which Nexstar has or (post-transaction) would have a significant interest. The Commission instead should ensure that all such divestitures are made to *bona fide* third-party, independently operated broadcasters.

In further support of the Petition, Cox states the following:

BACKGROUND

Cox offers subscription video services in 16 DMAs in which Nexstar and/or Media General operate broadcast stations, including two of the overlap markets (Lafayette, LA and Roanoke-Lynchburg, VA) identified in the Applications as DMAs in which both Nexstar and Media General currently operate. The following chart identifies the DMAs and signals within Cox’s footprint that are controlled by Nexstar or Media General.¹⁵

<u>Cox DMA</u>	<u>Broadcaster</u>	<u>Station Affiliations</u>	<u>Details of Station Ownership/Operation</u>
Mobile, AL-Pensacola, FL	Media General	CBS CW	Media General owns CBS and CW stations.
Ft. Smith-Fayetteville-Springdale-Rogers, AR [†]	Nexstar	FOX NBC	Nexstar owns NBC and FOX stations.
Phoenix (Prescott), AZ	Nexstar	CW	Nexstar owns CW station.
Hartford-New Haven, CT	Media General	ABC MyNet	Media General owns ABC and MyNetworkTV stations.

¹⁵ *Id.* ¶ 3.

<u>Cox DMA</u>	<u>Broadcaster</u>	<u>Station Affiliations</u>	<u>Details of Station Ownership/Operation</u>
Panama City, FL	Nexstar	ABC	Nexstar owns ABC station.
Joplin, MO-Pittsburg, KS ^{†*}	Nexstar	ABC NBC	Nexstar owns NBC station and operates ABC station through sharing agreement with Mission.
Topeka, KS ^{†*}	Media General	ABC FOX NBC CW	Media General owns NBC and FOX stations and operates ABC and CW signals (which are multicast on the same station) through sharing agreement with Vaughan.
Wichita-Hutchinson, KS Plus	Media General	NBC	Media General owns NBC station.
Baton Rouge, LA ^{†*}	Nexstar	FOX NBC CW	Nexstar owns FOX and CW stations and operates the NBC station through sharing agreement with White Knight.
Lafayette, LA ^{*†}	Nexstar	FOX NBC MyNet	Nexstar owns NBC and FOX stations and multicasts MyNetworkTV signal on the FOX station.
	Media General	CBS	Media General owns CBS station.
Providence, RI-New Bedford, MA ^{†*}	Media General	CBS FOX MyNet	Media General owns CBS station and operates FOX and MyNetworkTV signals through sharing agreement with Super Towers.
Springfield-Holyoke, MA	Media General	NBC	Media General owns the NBC station.
Springfield, MO [*]	Nexstar	CBS MyNet	Nexstar owns the MyNetworkTV station and controls the CBS station through sharing agreement with Mission.
Las Vegas, NV	Nexstar	CBS	Nexstar owns CBS station.
Norfolk-Portsmouth-Newport News, VA [†]	Media General	FOX NBC	Media General owns FOX and NBC stations.
Roanoke-Lynchburg, VA [*]	Nexstar	FOX CW	Nexstar owns FOX and CW stations.
	Media General	NBC	Media General owns NBC station.

* Identifies overlap market in which Nexstar and Media General own stations.

- † Identifies DMA in which Nexstar or Media General controls multiple Big Four signals.
- Identifies DMA in which Nexstar or Media General operates one or more broadcast signals through a sharing agreement.

Because Cox must negotiate retransmission consent agreements with the Applicants in these DMAs, the extraordinary increase in bargaining leverage that would flow from the transaction—including in particular post-transaction Nexstar’s ability to wield blackout threats that would deprive more than half of Cox’s video subscribers of high-demand programming—would result in substantially increased costs for Cox’s subscribers, as well as related harms associated with threatened and actual blackouts, as described more fully below.

ARGUMENT

THE COMMISSION SHOULD CONDITION ANY APPROVAL OF THE PROPOSED TRANSACTION ON REQUIREMENTS THAT WOULD PREVENT DISPROPORTIONATE HARM TO COX AND ITS SUBSCRIBERS

A. The Transaction Threatens Significant Harm to Cox’s Subscribers Based on the Applicants’ Aggregation of Extraordinary Market Power Within Cox’s Service Areas.

Nexstar’s aggregation of market power through the acquisition of Media General—to create the largest broadcast station group in the nation—would threaten significant anticompetitive effects and other public interest harms. Especially based on the disproportionate over-representation of the combined company within Cox’s operating territories,¹⁶ a combined Nexstar-Media General would have the incentive and ability to extract unreasonable fees and to inflict related harms through retransmission consent negotiations with Cox, thus necessitating the imposition of conditions in the event the proposed transaction is approved.

As many stakeholders have extensively documented in the ongoing retransmission consent and media ownership reform proceedings, basic economic principles and the

¹⁶ *Id.* ¶ 4.

Commission’s own empirical analysis demonstrate that the aggregation of market power by broadcasters drives up the prices they impose for retransmission consent.¹⁷ The key tool that large broadcast station groups—including Nexstar in particular—have employed to leverage their market power is the ability to withhold broadcast programming in the event their fee demands are not met. Such threats of blackouts often seek to exploit MVPD subscribers’ fears of losing access to marquee programming.¹⁸ For example, Cox’s recent negotiation with Nexstar was heavily influenced by the threat of having to black out Nexstar’s signals to approximately 1.2 million Cox subscribers,¹⁹ and depriving hundreds of thousands of access to the Super Bowl.²⁰

¹⁷ See, e.g., Letter from Michael Nilsson, Counsel to ATVA, to Marlene H. Dortch, Secretary, FCC, MB Docket No. 15-216, at 2-5 (filed Feb. 18, 2016) (collecting overwhelming evidence of impact of increased retransmission consent fee demands on MVPD prices); Comments of the American Television Alliance, MB Docket No. 15-216, at 14-16, 20-21 (filed Dec. 1, 2015) (“ATVA Good Faith Comments”) (documenting the explosive growth of retransmission consent fees in the past decade and the impact on MVPD subscriber bills); *Implementation of Section 103 of the STELA Reauthorization Act of 2014; Totality of the Circumstances Test*, Notice of Proposed Rulemaking, 30 FCC Rcd 10327 ¶ 3 (2015) (“*Good Faith NPRM*”) (“[R]etransmission consent fees have steadily grown and are projected to increase further, thereby applying upward pressure on consumer prices for MVPD video programming services.”).

¹⁸ See *Good Faith NPRM* ¶ 16 & n.78; Comments of the Broadcast Affiliates Associations, MB Docket No. 15-216, at 32-34 (filed Dec. 1, 2015) (acknowledging that broadcasters time retransmission consent negotiations around marquee events “as retransmission consent negotiating leverage”); Comments of NTCA—The Rural Broadband Association, MB Docket No. 15-216, App. at IV (filed Dec. 1, 2015) (reporting that 49 percent of NTCA and INCOMPAS members “have faced a [broadcaster] threat to withhold or black out a broadcast station or network in a time period approaching the airing of popular sports, entertainment, or other marquee programming content”); ATVA Good Faith Comments at 27.

¹⁹ Albert Declaration ¶ 9; see also, e.g., Mike Sunnucks, *Super Bowl 50 hangs over Cox Communications, Nexstar fee fight*, PHOENIX BUSINESS JOURNAL (Feb. 4, 2016), <http://www.bizjournals.com/phoenix/news/2016/02/04/super-bowl-50-hangs-over-cox-communications.html>.

²⁰ Albert Declaration ¶ 9. Although the parties agreed to a short extension of the expiring retransmission consent agreement that enabled Cox to continue to carry Nexstar’s

Such threats of blackouts have a significant impact on the retransmission consent fees that broadcasters are able to extract from MVPDs, and in turn impose substantially increased costs on consumers.²¹ Blackout threats also cause consumer confusion and frustration, and lead some MVPD subscribers to switch to a less-preferred MVPD, thereby causing switching costs and eroding consumer welfare.²² While the overwhelming concentration of post-transaction Nexstar within Cox’s footprint would leave Cox little choice but to accede to unreasonable pricing (and other) demands made by Nexstar, an actual blackout would inflict considerable additional harm on Cox’s subscribers by depriving them of high-value programming across the 16 distinct DMAs at issue.

In light of such broadcaster brinkmanship and its demonstrated harms, any transaction that substantially increases a broadcast station group’s market power—such as the Nexstar-Media General transaction, which would create the nation’s largest broadcast station group—would threaten to undermine the public interest. In this particular case, making matters worse, much of the market power aggregation flowing from the proposed transaction would be concentrated within Cox’s service territory. Absent appropriate conditions, the transaction therefore would result in substantial anticompetitive effects and other public interest harms from the standpoint of Cox’s subscribers. As noted above, post-transaction Nexstar would be present in 16 DMAs within Cox’s video footprint, reaching a staggering 55 percent of Cox’s cable

stations for a period of time beyond the initial expiration date, the extension options offered by Nexstar ensured that the agreement would expire before the Super Bowl. *Id.*

²¹ See, e.g., Steven C. Salop *et al.*, *Economic Analysis of Broadcasters’ Brinkmanship and Bargaining Advantages in Retransmission Consent Negotiations*, at 16-20 (June 3, 2010), filed as an attachment to the Reply Comments of Time Warner Cable Inc., MB Docket No. 10-71 (filed June 3, 2010) (“Salop Report”) (describing asymmetrical harm to MVPDs and their customers from blackouts); *supra* n.17 (describing consumer impacts of increased retransmission consent fees).

²² See Salop Report at 11-16.

subscribers. By contrast, based on the applications, it appears that Cox’s subscriber base would represent less than five percent of Nexstar-Media General’s national audience share. Such an enormous disparity in bargaining leverage would ensure any threatened or actual programming blackouts of Nexstar stations on Cox’s cable systems would have a dramatically greater impact on Cox than on post-transaction Nexstar. Thus, notwithstanding the Applicants’ proposal to divest certain stations—and thereby bring the post-transaction company within the 39-percent *national* television ownership limit—the transaction is certain to concentrate increases in bargaining leverage within Cox’s footprint, exacerbating the harms well beyond what would occur if the combined Nexstar-Media General were to operate in areas distributed proportionally across MVPD footprints.

The proposed transaction thus would circumvent the protections intended by the national television ownership limit. Since the emergence of broadcast television in the 1940s, the Commission has recognized the danger of unfettered broadcast television ownership and thus placed limits on the ability of broadcasters to amass market power through consolidation.²³ Indeed, the Commission consistently has confirmed that a primary purpose of the national television ownership limit is to prevent the “undue concentration” of broadcaster market power.²⁴

Likewise, preventing over-concentration in the broadcast television industry has been a longstanding priority for Congress. In the Telecommunications Act of 1996, Congress codified

²³ See 6 Fed. Reg. 2284-85 (Tuesday, May 6, 1941) (adopting the first ownership limit for television broadcast stations).

²⁴ *Amendment of Multiple Ownership Rules*, 9 R.R. 1563 (1953) (identifying the twin goals of promoting diversification of viewpoints and preventing “undue concentration of economic power” as the policy objectives of the national television ownership rule). See *FCC v. Sanders Brothers Radio Stations*, 309 U.S. 470 (1940).

the national television ownership limit at 35 percent,²⁵ and later Commission efforts to relax the cap were met with sharp congressional disapproval. In particular, when the Commission modified the cap in 2003 to permit a single broadcast entity to control stations sufficient to reach 45 percent of the national audience²⁶—a level that still falls well short of the 55 percent coverage Nexstar proposes to obtain within Cox’s footprint—Congress took swift action, enacting legislation that rejected the modified cap and ultimately adopting the current 39-percent threshold.²⁷ That action reflected the judgment of Congress regarding the need to retain competitive balance in the distribution of broadcast television signals and to avoid any situation where the public’s access to broadcast programming would be concentrated in the hands of only a few large corporations.²⁸

²⁵ See Telecommunications Act of 1996, Pub. L. No. 104-104, § 202, 110 Stat. 56 (1996); *Implementation of Sections 202(c)(1) and 202(e) of the Telecommunications Act of 1996 (National Broadcast Television Ownership and Dual Network Operations)*, Order, 11 FCC Rcd 12374 (1996).

²⁶ See *Broadcast Ownership Rules – 2002 Biennial Regulatory Review*, Report and Order and Notice of Proposed Rulemaking, 18 FCC Rcd 13620 ¶ 500 (2003).

²⁷ The 35 percent audience cap was included in omnibus appropriations bills adopted by both houses of Congress. See Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 2004, H.R. 2799, 108th Cong. § 624 (2003); Consolidated Appropriations Act, 2004, H.R. 2673, 108th Cong. § 629 (2003). Following conference committee, the cap was set at 39 percent in final legislation. See Consolidated Appropriations Act, 2004, Pub. L. No. 108-199, § 629, 118 Stat. 3, 99-100 (2004) (“2004 Consolidated Appropriations Act”).

²⁸ See S. Rep. No. 108-141, at 1 (2003) (“Senate Report”) (“The purpose of this legislation is to prevent any one entity from owning, operating, controlling, or having a cognizable interest in broadcast television stations that have an aggregate national audience reach exceeding 35 percent.”); H. Rep. No. 108-221, 197-198 (2003) (Additional Views of the Honorable David R. Obey and José E. Serrano) (discussing the threats posed by concentrated broadcast television ownership, including threats to democracy and localism); 149 Cong. Rec. H7287 (daily ed. July 22, 2003) (statement of Mr. Markey) (stating that the 45 percent cap “goes too far” and stating that no broadcast entity “should have that kind of power”—“[t]he kind of power that ... will make Citizen Kane look like an underachiever”); see also 149 Cong. Rec. H7286 (daily ed. July 22, 2003) (statement

This pro-competitive policy, together with the longstanding interests in promoting localism and diversity, is embodied in the current 39 percent audience cap established by Congress,²⁹ and compels special consideration within the context of the proposed transaction and its effects on Cox and its subscribers. Congress’s determination that subscriber penetration above 39 percent would result in such public policy harms indicates that the Applicants’ proposal to combine stations in a manner that would reach more than half of Cox subscribers would threaten those subscribers with anti-competitive effects and a diminution in localism and diversity. Indeed, from the perspective of the 55 percent of Cox subscribers who would be affected, Nexstar’s proposed acquisition of Media General warrants remediation to avoid an outcome that plainly would contravene Congress’s intent in establishing the 39 percent national audience cap.³⁰

The harms posed by the transaction would be further exacerbated in DMAs where Nexstar or Media General controls multiple broadcast signals. Nexstar or Media General currently controls multiple Top Six broadcast signals in a total of 11 DMAs (out of the total 16) in which Cox operates.³¹ Of those 11 DMAs, Nexstar or Media General controls multiple *Big Four* signals in seven of the DMAs.³² In addition, Nexstar and Media General continue to use sharing agreements with various “sidecar” entities to control multiple broadcast signals within the same DMA. Of the 11 DMAs in which the broadcasters currently control multiple Top Six

of Mr. Sanders) (“[I]t is a very different and even much more serious problem when a handful of large corporations control what the American people see, hear and read.”).

²⁹ See 2004 Consolidated Appropriations Act.

³⁰ See Senate Report at 1.

³¹ See Chart, *supra* pp.4-6; Albert Declaration ¶ 6.

³² See Chart, *supra* pp.4-6; Albert Declaration ¶ 6.

broadcast signals, the Applicants use sharing agreements in five of the DMAs.³³ Mission is one such “sidecar” entity. Although Mission purportedly operates independently from Nexstar, Nexstar has significant managerial rights and economic interests in the Mission stations, including the Mission stations in the Joplin, MO-Pittsburg, KS and Springfield, MO DMAs within Cox’s operating territory.³⁴ Nexstar also uses a sharing agreement with White Knight in the Baton Rouge, LA DMA.³⁵ Media General, for its part, which is now under investigation by the Commission for abuses related to a sharing agreement in the Augusta, GA DMA,³⁶ also relies on sharing agreements within Cox’s footprint. It has entered into such an agreement with Super Towers in the Providence, RI-New Bedford, MA DMA, and with Vaughan in the Topeka, KS DMA.³⁷

B. The Commission Should Adopt Targeted Conditions To Address These Transaction-Specific Harms.

As the foregoing discussion demonstrates, enabling Nexstar to aggregate so many stations covering such a disproportionate share of Cox’s subscriber base would threaten significant harms. The Commission therefore should impose targeted conditions to prevent, or at least mitigate, the harms that otherwise would be imposed on Cox and its subscribers. Absent such conditions, Cox and its subscribers would face unique and unprecedented exposure to Nexstar’s proposed consolidation of market power—including, as discussed above, the ability (a) to impose unreasonable retransmission consent fees, thus driving up MVPD rates based solely on

³³ See Chart, *supra* pp.4-6; Albert Declaration ¶ 7.

³⁴ Albert Declaration ¶ 8.

³⁵ *Id.*

³⁶ Harry A. Jessell, *FCC Launches Investigation of Media General*, TVNEWSCHECK (Mar. 10, 2016), <http://www.tvnewscheck.com/article/93012/fcc-launches-investigation-of-media-general>.

³⁷ Albert Declaration ¶ 8.

a market-power premium; (b) to wield tactical blackout threats that would induce some consumers to switch to a less-desired MVPD, thus diminishing consumer welfare; and (c) to carry out those threats, thus inflicting even more severe harm on Cox subscribers.

To be sure, the competitive concerns raised by the Nexstar-Media General transaction (or, for that matter, Nexstar's and Media General's control of multiple broadcast signals within the same DMA across each company's respective footprints) highlight the need for broader, industry-wide reforms that address the deeply flawed retransmission consent regime and the Commission's outdated broadcast attribution rules, a need that is well-documented in pending rulemaking proceedings before the Commission. But the potential for such industry-wide reforms plainly does not obviate the need to address the *transaction-specific* harms that would flow from Nexstar's ability to control broadcast signals reaching more than half of Cox's video subscriber base. To the contrary, the Commission has an obligation to ensure that the proposed license transfers will serve the public interest, and that could not occur if Nexstar were permitted to exploit the dramatic over-representation of the stations it proposes to combine within Cox's footprint.

Accordingly, the Commission should condition any decision approving the Applications to ensure that Nexstar could not use its extraordinary bargaining leverage to the detriment of Cox and its subscribers. In particular, the Commission should order that, in the event of a retransmission consent dispute between Cox and post-transaction Nexstar, Nexstar must submit to mediation overseen by the Commission. In the event mediation became necessary, the Commission should appoint a mediator who has knowledge of industry norms in the retransmission consent arena. Upon his or her appointment, the mediator should be provided access to the retransmission consent agreements entered into by either party over the past 24

months, as well as the most recent carriage agreement between the parties themselves, to provide the mediator with sufficient information to facilitate resolution of the parties' dispute.³⁸ The Commission also should specify that either party may invoke the right to mediation once either Nexstar or Cox makes its last and final offer.

In addition, during the pendency of such dispute resolution, the Commission should require interim carriage of Nexstar's broadcast signals on the terms set forth in the expiring agreement(s),³⁹ subject to a true-up provision in the event successor rates established via mediation are higher than the previously applicable rates. The congressional sponsors of the retransmission consent regime made clear that the Commission should play such a role where necessary.⁴⁰ Leaving aside whether interim carriage should be made available in connection with dispute resolution more generally, it is necessary to combat the extraordinary leverage

³⁸ The mediator should consider other information that impacts the value of retransmission consent, taking into account the financial and non-financial terms proposed by the parties and their economic impact.

³⁹ At the conclusion of mediation, the Commission should establish a reasonable implementation period, during which interim carriage would remain in place so that the parties could implement any new carriage agreement, or, if necessary, prepare for the withdrawal of Nexstar's signals (including adequately apprising consumers of such withdrawal).

⁴⁰ *See, e.g.*, 138 Cong. Rec. S643 (Jan. 30, 1992) ("the FCC has the authority under the Communications Act to address what would be the rare instances in which such carriage agreements are not reached.") (Sen. Inouye); *id.* at S14604 ("existing law provides the FCC with both the direction and authority to ensure that the retransmission consent provision will not result in a loss of local TV service"); *id.* at S14615-16 ("[I]f a broadcaster is seeking to force a cable operator to pay an exorbitant fee for retransmission rights, the cable operators will not be forced to simply pay the fee or lose retransmission rights. Instead, cable operators will have an opportunity to seek relief at the FCC.") (Sen. Lautenberg); Letter from Sens. Inouye and Stevens to Kevin Martin, Chairman, Federal Communications Commission (Jan. 30, 2007) ("At a minimum, Americans should not be shut off from broadcast programming while the matter is being negotiated among the parties and is awaiting [Commission resolution].").

Nexstar would obtain vis-à-vis Cox as a result of the significant over-representation of Nexstar-Media General stations in Cox's service territory.

Finally, the Applicants' promise to divest stations in overlap markets would be wholly insufficient if the companies could continue to use "sidecar" entities to control carriage negotiations for multiple competing stations within the same DMA, across multiple DMAs within Cox's footprint. Given the Applicants' existing ownership or operation of multiple signals within DMAs in which Cox operates, the Commission should prohibit Nexstar or Media General from spinning off any stations in overlap markets to Mission, White Knight, Vaughan, Super Towers, or any other "sidecar" entity in which Nexstar or Media General have significant interest (and/or post-transaction Nexstar would have significant interest), rather than operating independently. Such a condition is particularly necessary to enable the Commission to ensure that all divestitures are made to *bona fide* third-party broadcasters.

CONCLUSION

For the foregoing reasons, Cox urges the Commission to adopt conditions on any approval of the proposed Nexstar-Media General transaction consistent with the proposals described herein.

Respectfully submitted,

/s/ Matthew A. Brill

Matthew A. Brill
Amanda E. Potter
LATHAM & WATKINS LLP
555 Eleventh Street, NW
Suite 1000
Washington, DC 20004

Counsel for Cox Communications, Inc.

March 18, 2016

CERTIFICATE OF SERVICE

I, Megan L. Kuhagen, hereby certify that on this 18th day of March, 2016, a true and correct copy of the foregoing Petition for Conditions was served, via first-class mail, upon the following:

Scott R. Flick
PILLSBURY WINTHROP SHAW PITTMAN LLP
1200 Seventeenth Street, NW
Washington, DC 20036

Gregory L. Masters
WILEY REIN LLP
1776 K Street, NW
Washington, DC 20006

David Brown*
Media Bureau
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Jeremy Miller*
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Alison Nemeth*
Media Bureau
alison.nemeth@fcc.gov

*Service by email only.

/s/ Megan L. Kuhagen
Megan L. Kuhagen

Exhibit 1

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

Applications Filed for the Transfer of)	
Control and Assignment of Broadcast)	
Television Licenses from)	
)	
Media General, Inc.)	
)	
Transferor, Assignor)	MB Docket No. 16-57
)	
to)	
)	
Nexstar Broadcasting Group, Inc.)	
)	
Transferee, Assignee)	

DECLARATION OF ANDREW I. ALBERT

I, Andrew I. Albert, state as follows:

1. I am employed by Cox Communications, Inc. (“Cox”) as Senior Vice President of Content Acquisition. My business address is 6205-B Peachtree Dunwoody Road NE, Atlanta, Georgia 30328. In my position, I am familiar with Cox’s negotiation of retransmission consent agreements with broadcast television stations, including station groups such as Nexstar Broadcasting Group, Inc. (“Nexstar”), Media General, Inc. (“Media General”), Mission Broadcasting, Inc. (“Mission”) White Knight Broadcasting (“White Knight”), Vaughan Media, LLC (“Vaughan”), and Super Towers, Inc. (“Super Towers”).

2. I have knowledge of the facts set forth herein, and I make this declaration in support of the Petition for Conditions (“Petition”) filed in connection with the above-captioned matter, which relates to the proposed acquisition of Media General by Nexstar.

3. Cox provides cable television service, among other services, in 16 designated market areas (“DMAs”) in which Nexstar and/or Media General operate broadcast stations:

Mobile, AL-Pensacola, FL; Ft. Smith-Fayetteville-Springdale-Rogers, AR; Phoenix (Prescott), AZ; Hartford-New Haven, CT; Panama City, FL; Joplin, MO-Pittsburg, KS; Topeka, KS; Wichita-Hutchinson, KS Plus; Baton Rouge, LA; Lafayette, LA; Providence, RI-New Bedford, MA; Springfield-Holyoke, MA; Springfield, MO; Las Vegas, NV; Norfolk-Portsmouth-Newport News, VA; and Roanoke-Lynchburg, VA.

4. Fifty-five percent of Cox's video subscribers reside in DMAs with Nexstar- or Media General-owned broadcast television stations.

5. Cox has retransmission consent agreements with each of the broadcast television stations owned or operated by Nexstar or Media General in the DMAs listed above.

6. Nexstar or Media General currently controls multiple Top Six broadcast signals in a total of 11 DMAs in which Cox operates. Of those 11 DMAs, Nexstar or Media General controls multiple Big Four signals in seven of the DMAs.

7. In addition, Nexstar and Media General continue to use sharing agreements with various "sidecar" entities to control multiple broadcast signals within the same DMA. Of the 11 DMAs in which Nexstar or Media General currently controls multiple Top Six broadcast signals, Nexstar or Media General uses sharing agreements in five of the DMAs.

8. For example, although Mission purportedly operates independently from Nexstar, Nexstar has significant managerial rights and economic interests in the Mission stations, including the Mission stations in the Joplin, MO-Pittsburg, KS and Springfield, MO DMAs within Cox's operating territory. Nexstar also uses a sharing agreement with White Knight in the Baton Rouge, LA DMA, while Media General, for its part, has entered into a sharing agreement with Super Towers in the Providence, RI-New Bedford, MA DMA, and with Vaughan in the Topeka, KS DMA.

9. Cox's recent carriage negotiations with Nexstar were heavily influenced by the threat of having to black out Nexstar's signal to approximately 1.2 million Cox subscribers, and depriving hundreds of thousands of access to the Super Bowl. Although the parties agreed to a short extension of the expiring retransmission agreement that enabled Cox to continue to carry Nexstar's stations for a period of time beyond the initial expiration date, the extension options offered by Nexstar ensured that the agreement would expire before the Super Bowl.

10. Based on my experience, Nexstar's proposed acquisition of Media General would threaten significant anticompetitive effects and other public interest harms based on the disproportionate over-representation of the combined company within Cox's operating territories. In particular, the overwhelming concentration of post-transaction Nexstar within Cox's footprint would leave Cox little choice but to accede to unreasonable pricing (and other) demands made by Nexstar.

11. To the best of my knowledge and belief, all other assertions of fact that are contained in the Petition are true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed March 18, 2016.



Andrew I. Albert
Senior Vice President, Content Acquisition
Cox Communications, Inc.

Exhibit 2



Nexstar
 BROADCASTING GROUP, INC.
 Keeping it Local
 NXST: NASDAQ



43rd Annual Global Media & Communications Conference

Perry Sook, Chief Executive Officer
 Tom Carter, Chief Financial Officer
 December 8, 2015

Safe Harbor



In addition to historical facts or statements of current conditions, this presentation contains forward-looking statements that involve risks and uncertainties within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements reflect the company's current expectations and beliefs but are not guarantees of future performance. As such actual results may vary materially from expectations.

The risks and uncertainties associated with the forward-looking statements are described in the company's filings with the Securities and Exchange Commission, including the Company's reports on Form 10-K and 10-Q. Nexstar Broadcasting Group assumes no obligation to publicly update or revise any forward-looking statements.

Investment Summary



- **Rapidly Growing Mid-market Consolidator**
 - Creating value from recent highly accretive, strategic broadcast and digital media acquisitions
 - Strong operating leverage and free cash flow focus based on diversified revenue streams and expense management discipline
- **Leveraging Localism**
 - Building new high growth/high margin and recurring revenue streams
- **Duopoly Structure and Local News and Programming Leadership Support Franchise Market Positions**
- **Management Focused on Shareholder Value**
 - Leading industry innovation & new revenue stream growth
 - Consistent industry leading revenue and margin performance
 - On pace to return approximately \$72.0 million to shareholders in FY 2015, or approximately \$2.00 per share
- **2015 On Pace to be Fourth Consecutive Year of Record Free Cash Flow**
 - Board approved 26.7% increase in annual cash dividend to \$0.76 per share effective Q1'15
 - Value creation opportunities through accretive M&A and / or return of capital to shareholders
 - > \$139 million (> \$4.55 per share) in free cash flow generated year-to-date: +47.4% Y-O-Y

Nexstar Broadcasting Group

Keeping it Local/Driving Diversification



Diversified Top 20 TV Group with Leading Local Franchises

- **Nexstar's Pro Forma Operating Base Reaches ~18.1% of U.S. Television Households**
 - 115 Television Stations / 36 Multicast channels
 - 62 Markets / 25 States
 - 37 Duopoly Markets
 - 56 Community Web-portals
- **Diverse Station Portfolio**
 - ~80% of NXST stations are "Big 4" network affiliates (ABC, CBS, FOX, NBC)
- **Nexstar has the #1 or #2 Revenue Share Ranking in 70% of its Markets**
- **~67% of Pro-forma Broadcast Cash Flow (BCF) is from Top 100 DMAs**
- **Stable Core Advertising Revenue and Growing Political Advertising Revenue**
- **Growing High Margin Non-Traditional Revenue Streams**
 - Retransmission Agreements
 - Digital Media (Community Portal, Mobile, Other Digital Platforms)
 - Q3'15 digital media and retransmission fee revenue of \$100.2 million increased 86.6% over prior year level and accounted for 44.5% of net revenue

Recent Key Operational Events



■ Record Financial Results

	Nine Months Ended Jun 30		Change (%)		
	2015 (in millions)	2014 (in millions)		2013 (in millions)	
Net Revenue	\$649.6	\$438.5	\$364.2	+48.1%	+78.4%
Broadcast Cash Flow	\$245.4	\$175.4	\$137.7	+39.9%	+78.2%
Adjusted EBITDA	\$212.1	\$149.1	\$117.4	+42.3%	+80.7%
Free Cash Flow	\$139.3	\$94.5	\$54.7	+47.4%	+154.7%

last odd-year non-political cycle ←

■ Seventeen accretive strategic transactions 2011-2015 YTD

- Transactions optimize Nexstar's local television broadcasting platform, increase scale, present significant financial/operating synergies and expand free cash flow
- Acquired stations diversify/complement station portfolio in terms of geography, market size and duopoly presence

■ Ongoing reduction in cost of capital

- Reflecting the completion of announced transactions and their associated financings, Nexstar's weighted average cost of debt declined to ~5.0% from ~5.75% at YE2013

■ Ongoing deleveraging

- Reduced net leverage covenant ratio to 4.26x at September 30, 2015 from 4.40x at December 31, 2014

■ 2015 cash dividend increase of 26.7% to \$0.76 annually

- Represents a modest payout ratio relative to free cash flow generation

■ \$100 million Class A common stock repurchase authorization

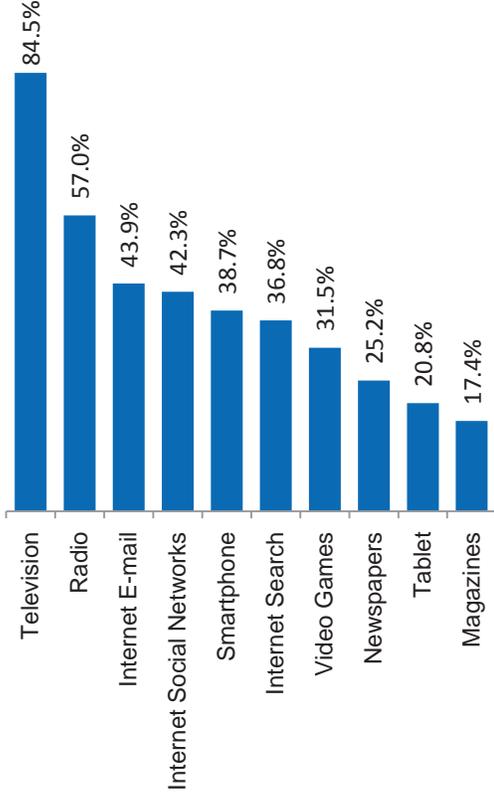
- Repurchased ~1 million shares in Q3 for \$48.2 million
- Provides a flexible complement to existing return of capital initiatives, M&A and leverage reduction plans

Strong Industry Fundamentals



Broadcast Television Continues to be a Dominant Force in Consumers' Media Lives

TV Reaches More People than Any Other Medium



Source: TVB Media Comparison Study 2015 and GfK Multimedia. Percent reach of persons A18-64.

TV is the Most Influential Local Media

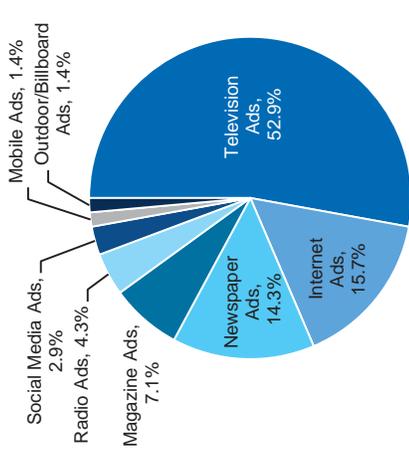
93 of the Top 100 Rated Programs are Broadcast Programs (P18-49)

Program Rank	Broadcast Stations	Cable TV	Total
1-25	23	2	25
26-50	23	2	25
51-75	24	1	25
76-100	23	2	25
Total	93	7	100

Note: Based on 2014-2015 season NTI Live+ Same Day estimates. Ranked by average audience % (ratings); in the event of a tie, impressions (000's) are used as a tiebreaker.

Source: TVB, The Nielsen Company, 9/22/14-5/20/15, Ranked by A18-49

Most Influential of All Media



Source: TVB Media Comparison Study 2015 and GfK Multimedia. Persons A 18-64. Responses of don't know/no answer are excluded from the above percentages.

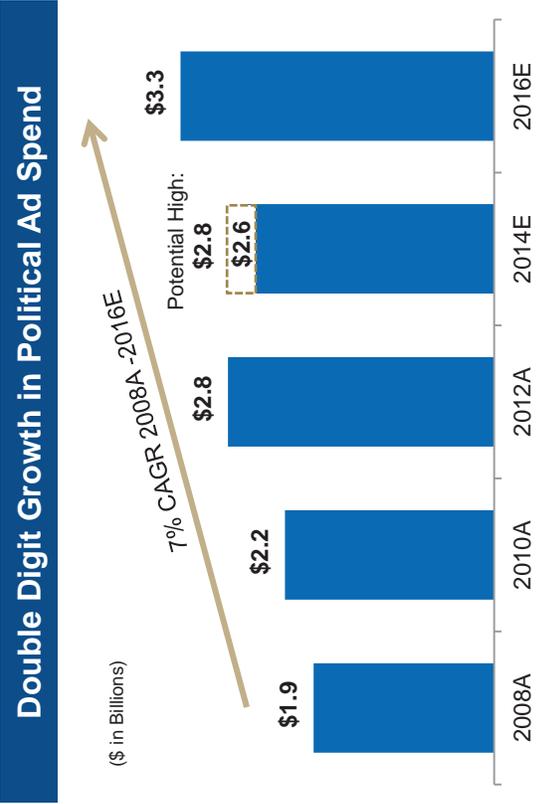
- Traditional television remains the dominant reach medium and most influential of all media among American consumers, despite the proliferation of video content available across other platforms
- In Q2 2015, Traditional TV viewing (live + time shifted) accounted for approximately 95% of total weekly time spent on video, with more than four hours and forty minutes of average daily viewing per person
- Core advertising trends remain stable

Source: TVB Media Comparison Study 2015 and GfK Multimedia Custom Research North America Survey; Nielsen Q2 2015 Total Audience Report

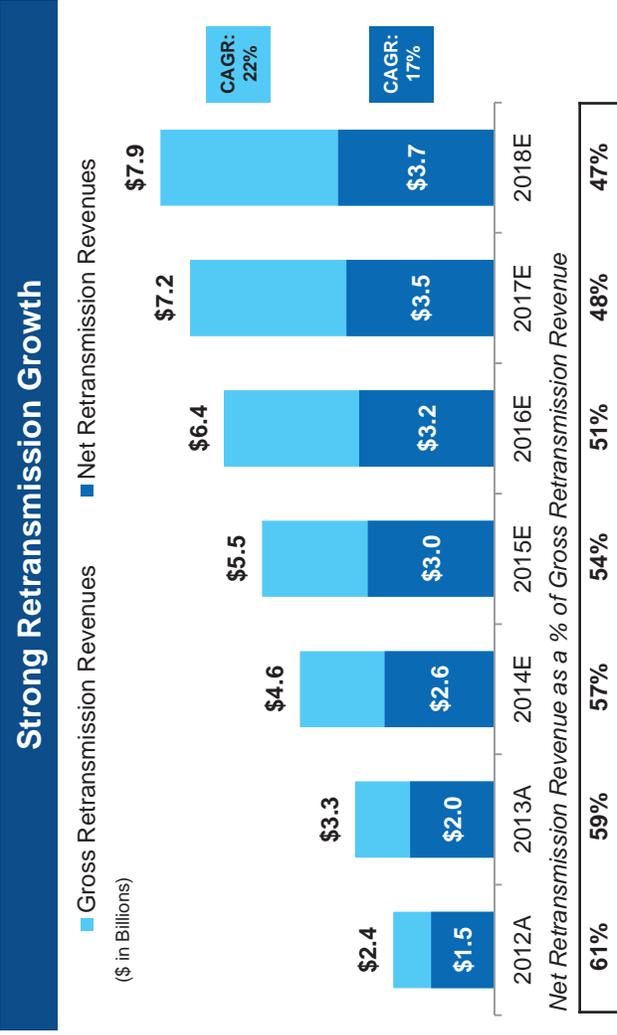
Strong Secular Trends in Television Broadcasting Driving Growth



Near term Drivers: Political and Retransmission Consent Fees



Source: Magna Global, Wall Street Research, TVB / Cook, SNL Kagan, Kantar Media, NPR, and Center for Responsive Politics



Source: SNL Kagan

- Over 80% of political advertising dollars allocated to TV are spent on local broadcast stations
- Presidential spending on local broadcast TV stations in 2012 (from the conventions to Election Day) grew by over 47% compared with 2008 levels
- PACs/Super PACs are contributing to growing political ad spend

- Despite the rise in retransmission consent revenue, a significant value gap remains between audience viewership and distribution fee share
- Expect strong growth in retransmission consent fees paid to local broadcast TV stations to continue for next 6-9 years

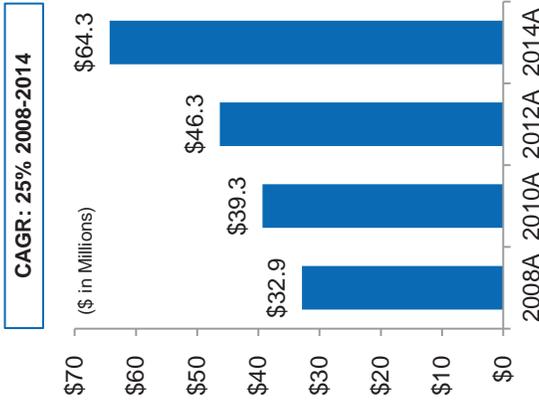
Growth in Political and Issue Advertising



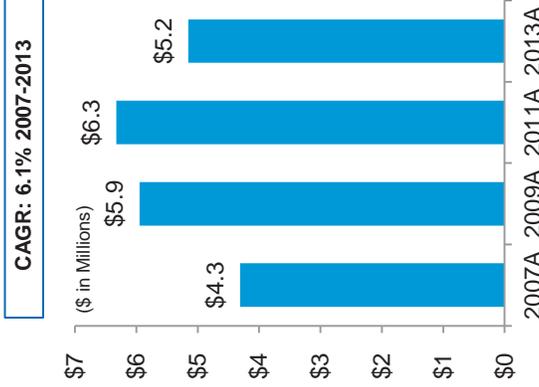
Strong Even Year Political and Issue Advertising Growth

NXST FY Political Revenue

Even Year



Odd Year



- FY 2014 political revenue increased ~39% over 2012 spending levels, reaching a record \$64.3 million
- Long-term political spending expected to continue to grow due to significant spending increases by non-candidate entities
- With rampant political partisanship and a 2016 presidential election without an incumbent, NXST could see initial primary dollars late in 2015 given its presence in key political markets

2016 Key Senate and Gubernatorial Elections

2016 Senate Races				2016 Gubernatorial Races			
Nexstar Market	Incumbent	Party		Nexstar Market	Incumbent	Party	
Alabama	Ricahrd Shelby	R		Indiana	Mike Pence	R	
Arizona	John McCain	R		Missouri	Jay Nixon ²	D	
Arkansas	John Boozeman	R		Montana	Steve Bullock	D	
California	Barbara Boxer ¹	D		Utah	Gary Herbert	R	
Colorado	Michael Bennet	D		Vermont	Peter Shumlin	D	
Florida	Marco Rubio	R					
Illinois	Mark Kirk	R					
Indiana	Dan Coats	R					
Iowa	Chuck Grassley	R					
Louisiana	David Vitter	R					
Maryland	Barbara Mikulski	D					
Missouri	Roy Blunt	R					
Nevada	Harry Reid	D					
New York	Chuck Schumer	D					
Pennsylvania	Pat Toomey	R					
Utah	Mike Lee	R					
Vermont	Patrick Leahy	D					
Wisconsin	Ron Johnson	R					

² Jay Nixon is not running in 2016 due to term limitations.

Source: TVB, Bloomberg

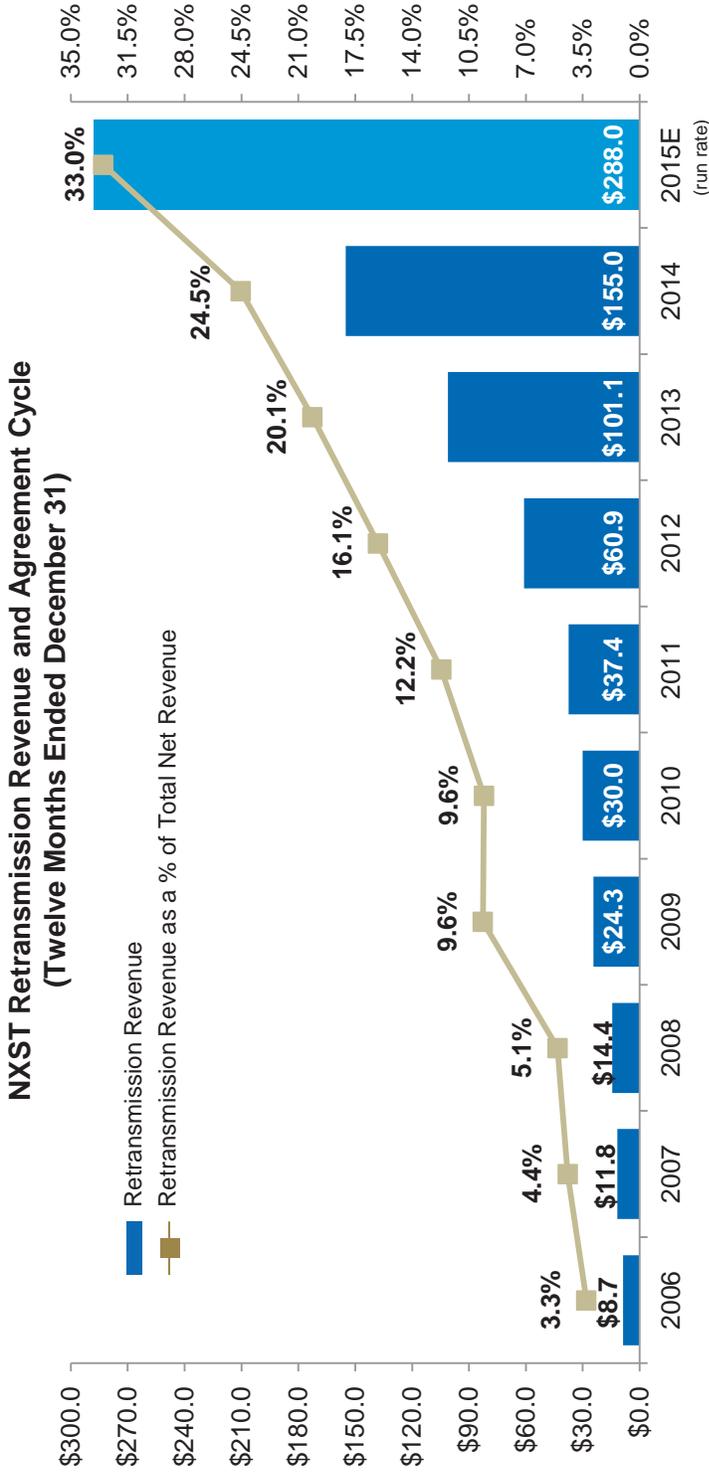
¹ Barbara Boxer is retiring in 2016.

Source: U.S. Senate Periodical Press Gallery

Retransmission Growth Cycle



Retransmission revenue is materially diversifying NXST's total net revenue



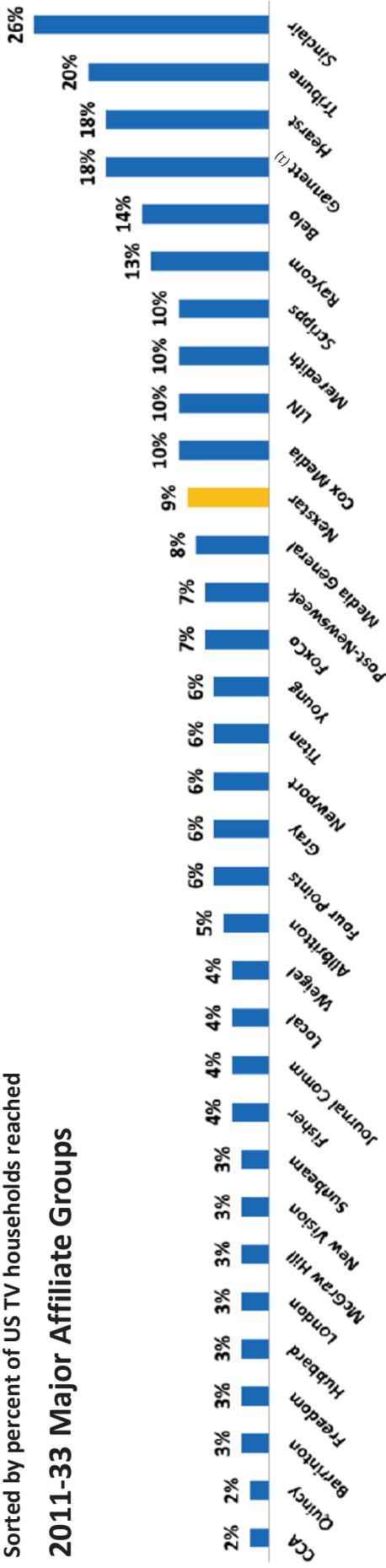
- Nexstar led industry in securing retransmission consideration beginning in 2005
- Acceleration in retransmission revenue post-contract renewal cycle highlights ability to negotiate favorable rates which also leads to competitive advantages in deriving value from station acquisitions
 - Retransmission fee revenues: FY 2014 - \$155.0 million, (+53.3% Y/Y); CAGR of 44.5% (2007-2014)
FY 2015 YTD - \$216.3 million, (+95.2% Y/Y)
 - Renewed ~22% of subscribers in December 2013 and ~40% of subscribers in 2014 with ~85% of NXST's MVPD/subs being renewed in 2015 and 2016

Consolidation is Reshaping the Industry Landscape

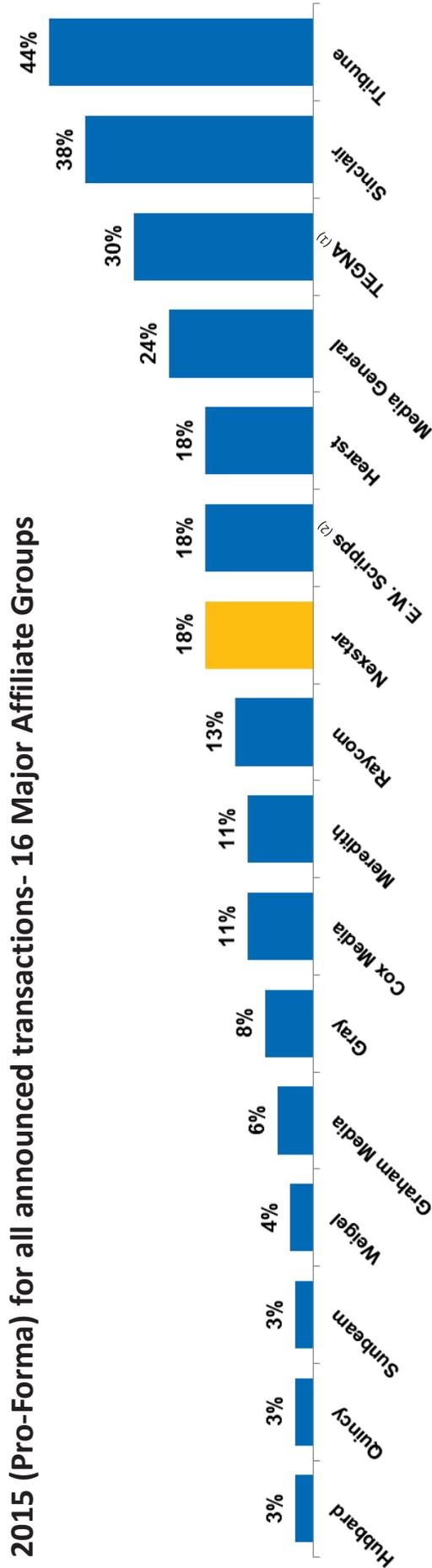


Sorted by percent of US TV households reached

2011-33 Major Affiliate Groups



2015 (Pro-Forma) for all announced transactions - 16 Major Affiliate Groups



Note: Pro forma for all announced transactions
 Source: BIA, Company filings
 Excludes: O & O groups, Hispanic, Religious and ION

(1) Gannett completed spinoff of publishing business from broadcast/digital business on June 29, 2015, the broadcast/digital entity was renamed TENGA.

(2) E.W. Scripps Company completed the merger of its broadcast assets with those of Journal Communications and the spinoff of their respective newspapers on April 1, 2015.

NXST M&A Snapshot 2011 - 2015



66 Television Stations and Four Digital Businesses Acquired¹ in Accretive Transactions for ~\$1.3 Billion

Closed Transactions

Liberty Media Corporation (2011)
2 Stations / 2 Markets
Green Bay, WI and Marquette, MI

Gilmore Broadcasting (2011)
1 Station / 1 Market
Evansville, IN

Newport Television (2012 / 2013)
Newport #1
12 Stations / 8 Markets / e-Media platform
Newport #2 / Smith
6 Stations / 3 Markets

Citadel Communications (2013 / 2014)
3 Stations / 3 Markets
Des Moines + Sioux City, IA / Rock Island, IL

Internet Broadcasting Systems (2014)
Digital publishing platform and digital agency services

Hoak Media / Parker Broadcasting (2014)
6 Stations / 2 Markets
(5 closed / 1 pending approval)
Grand Junction-Montrose-Glenwood Springs, CO and Panama City, FL
Pending acquisition of KFQX (by Mission Broadcasting) already operating under pre-existing JSA.

Pending Transactions

Enterprise Technology Group (2014)
Cloud-based CMS platform solutions provider

Grant Company (Dec 2014)
7 Stations / 4 Markets
Roanoke, VA / Huntsville, AL / Quad Cities, IA / LaCrosse, WI

CCA (Jan 2015)
18 Stations / 9 Markets*
*Net of divestiture of 1 Station / 1 Market to Bayou City Broadcasting

Meredith Corporation (Jan 2015)
1 Station / 1 Market
Phoenix, AZ

Yashi, Inc. (Feb 2015)
Local digital video advertising and programmatic technology company

Landmark Media Ent. (Feb 2015)
1 Station / 1 Market
Las Vegas, NV

Pappas Telecasting of Iowa (Pending Acquisition)
1 Station / 1 Market
Expected to close in 2015

Reiten Television, Inc. (Pending Acquisition)
6 Stations / 1 Market
Expected to close in Late 2015 / Early 2016
Nexstar to purchase four stations and provide sales and other services to two stations owned by Forum Communications pursuant to Reiten's services agreement with Forum.

West Virginia Media Holdings LLC (Pending Acquisition)
4 Stations / 4 Markets
Expected to close in Late 2016
Nexstar will enter into a Time Brokerage Agreement ("TBA") with West Virginia Media Holdings LLC ("WV/MH") effective upon receipt of the Social Security clearance, whereby Nexstar will receive the stations to broadcast cash flow from the stations. Nexstar will receive WV/MH. The TBA will extend until the broadcast assets and FCC licenses are transferred.

Average Buyer Multiple of Less Than 6.0x Drives Free Cash Flow² Accretion

¹Including closed transactions and announced but pending acquisitions

²Liberty Media & Gilmore multiples based on 2010/2011 Broadcast Cash Flow (BCF), Newport 2011/2012 BCF, Citadel 2014 BCF, Hoak/Parker and Grant 2013/2014 BCF, CCA 202/2013 BCF, Internet Broadcasting Systems ("IB"), Enterprise Technology Group ("ETG"), and Yashi Inc. are excluded for the calculation.

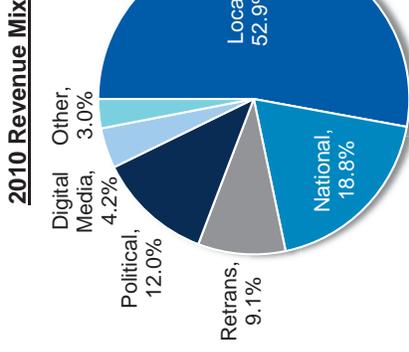
Monetizing Targeted Localism



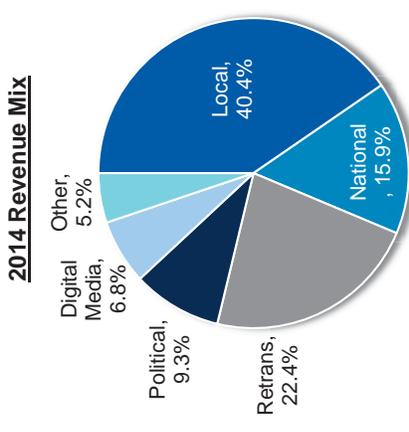
Strong Local Platforms Drive Value at Every Level

- Monetizing the local opportunity through five-tiered high margin revenue stream business model
- Focus on creating highly recognizable local brands to cultivate viewership / online and mobile usage / purchase decisions
 - Original local content, news and entertainment programming on-air, online and via mobile devices
 - Effective marketing solutions for local and national advertisers
- High quality local sales teams capitalize on local programming investments and e-Media platform
- ~45% of FY 2014 EBITDA generated by revenue sources other than broadcast advertising

NXST's Expanding and Diversifying Revenue Mix



Total 2010 Gross Revenue of \$328.9 mm
 Non-TV Spot revenue (ex-Political) comprised 16.3% of total revenue



Total 2014 Gross Revenue of \$690.8 mm
 Non-TV Spot revenue (ex-Political) comprised 34.4% of total revenue

NXSTs Five-tiered High Margin Revenue Stream Business Model

TELEVISION (ON-AIR)

DIGITAL (ONLINE / MOBILE)

DISTRIBUTION (RETRANS)

STATION MANAGEMENT SERVICES

EMERGING DIGITAL PLATFORMS (SPECTRUM)

Local/News Programming



Local News



Weather / Traffic



Sports



Campaign Coverage



Local Lifestyle Programs



Local Hometown Sports



Community Involvement



Special Reporting



Award Winning News



Mobile / Digital



Social Media Engagement

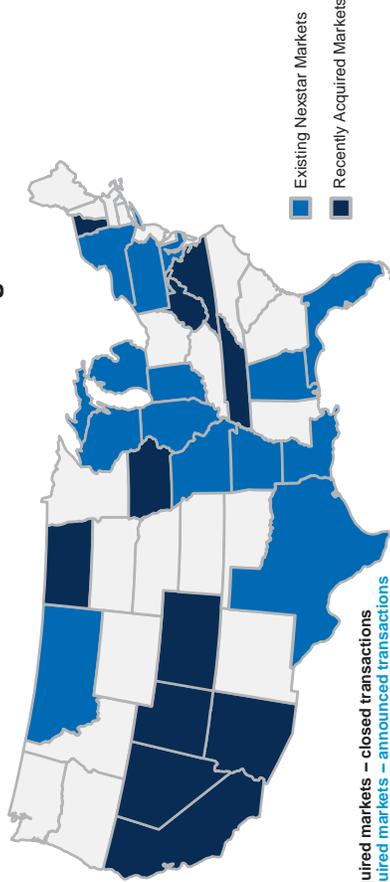
- NXST's local news rank among top 2 in approximately two-thirds of markets
 - Strong community presence
 - Extensive local sports coverage
 - Active sponsorship of community events

- Local news operations covering 54 markets and producing 1,530+ hours per week of local content
- 78,000+ hours of local news, weather and sports, local lifestyle / community programming annually

Expanding Geographic Reach Local Community Focus



Pro forma: 115 Television Stations in 62 markets reaching ~18.1% of all U.S. TV HH



■ Existing Nexstar Markets
■ Recently Acquired Markets

Bold Text indicates acquired markets – closed transactions
Blue Text indicates acquired markets – announced transactions
 Note: *LSA* Indicates stations where Nexstar has local service agreements with other station owners
 *KREG and KREY operate as satellite stations of KREX
 **New network affiliations for KLAJ, KYLE, KWKT (labeled on slide) are effective July 1, 2015

ARKANSAS

Little Rock-Pine Bluff, AR (56)
 KARK (NBC) (O&O)
 KARZ (MNTV) (O&O)
 KLRT (FOX) (LSA)
 KASN (CW) (LSA)
 FL Smith-Fayetteville-Springdale-Rogers, AR (100)
 KFTA (FOX/NBC) (O&O)
 KNWA (NBC) (O&O)

ALABAMA

Huntsville, AL (79)
 WZDX (FOX) (O&O)
 Dothan, AL (173)
 WDHN (ABC) (O&O)

ARIZONA

Phoenix, AZ (12)
 KASW (CW) (O&O)

CALIFORNIA

Fresno, CA (54)
 KGPE (CBS) (O&O)
 KSEE (NBC) (O&O)
 Bakersfield, CA (128)
 KGET (NBC/CW) (O&O)
 KKEY-LP (Telemundo) (O&O)

COLORADO

Grand Junction-Montrose-Glenwood Springs, CO (185)
 KFOX (FOX) (LSA)
 KREX (CBS) (O&O)
 KREG (CBS) (O&O)
 KREY (CBS) (O&O)
 KGJT (MNTV) (O&O)

FLORIDA

Jacksonville, FL (47)
 WCVJ (CW) (O&O)
 Panama City, FL (154)
 WMBB (ABC) (O&O)

IOWA

Des Moines, IA (72)
 WOI (ABC) (O&O)
 KCWI (CW) (O&O)
 Quad Cities, IA (101)
 WHBF (CBS) (O&O)
 KGCW (CW) (O&O)
 KJLB (FOX) (LSA)
 Sioux City, IA (149)
 KQAX (ABC) (O&O)

MARYLAND

Washington, DC-Hagerstown, MD (7)

MONTANA

Billings, MT (157)
 KSVI (ABC) (O&O)
 KHMT (FOX) (LSA)

ILLINOIS

Champaign-Springfield-Decatur, IL (85)
 WCIA (CBS) (O&O)
 WCFN (MNTV) (O&O)
 Peoria-Bloomington, IL (117)
 WMBD (CBS) (O&O)
 WYZZ (FOX) (LSA)
 Rockford, IL (136)
 WDRF (FOX) (O&O)
 WTVO (ABC/MNTV) (LSA)

INDIANA

Evansville, IN (103)
 WTVW (CW) (MSA)
 WEHT (ABC) (O&O)
 EL Wayne, IN (111)
 WFFT (FOX) (O&O)
 Terre Haute, IN (155)
 WTVO (NBC) (O&O)
 WAVY (ABC) (LSA)

LOUISIANA

Shreveport, LA (83)
 KTLA (NBC) (O&O)
 KMSS (FOX) (LSA)
 KSHV (MNTV) (LSA)
 Baton Rouge, LA (93)
 WGMB (FOX) (O&O)
 WBRL-CD (CW) (O&O)
 WFLA (NBC) (LSA)
 KZUP (RTV) (LSA)
 Lafayette, LA (121)
 KADN (FOX) (O&O)
 KLAJ-LD (NBC) (O&O)
 Monroe, LA-El Dorado, AR (137)
 KARD (FOX) (O&O)
 KTVE (NBC) (LSA)
 Alexandria, LA (173)
 WNTZ (FOX/MNTV) (O&O)

NORTH DAKOTA

Minot-Bismarck-Dickinson-Williston, ND (185)
 KXMC (CBS) (O&O)
 KXMB (CBS) (O&O)
 KXMA (CBS) (O&O)
 KXMD (CBS) (O&O)
 KMCCY (ABC) (LSA)
 KBMY (ABC) (LSA)

MICHIGAN

Marquette, MI (180)
 WJMN (CBS) (O&O)

NEVADA

Las Vegas, NV (40)
 KLAS (CBS) (O&O)

NEW YORK

Rochester, NY (76)
 WRCC (CBS) (O&O)
 Syracuse, NY (84)
 WSYR (ABC) (O&O)
 Binghamton, NY (159)
 WBGH (NBC) (O&O)
 WIVT (ABC) (O&O)
 Utica, NY (172)
 WFXV (FOX) (O&O)
 WPNY-LP (MNTV) (O&O)
 WUTR (ABC) (LSA)
 Elmira, NY (175)
 WETM (NBC) (O&O)
 Watertown, NY (177)
 WWTT (ABC) (O&O)

TENNESSEE

Memphis, TN (50)
 WATN (ABC) (O&O)
 WLMT (CW) (O&O)
 Jackson, TN (176)
 WJKT (FOX) (O&O)

PENNSYLVANIA

Wilkes Barre-Scranton, PA (55)
 WBRE (NBC) (O&O)
 WYOU (CBS) (LSA)
 Johnstown-Altoona, PA (104)
 WTAJ (CBS) (O&O)
 Erie, PA (150)
 WJET (ABC) (O&O)
 WFXP (FOX) (LSA)

TEXAS

Harlingen-Weslaco-Brownsville-McAllen, TX (86)
 KVEO (NBC/Estrella) (O&O)
 Waco-Temple-Bryan, TX (87)
 KWKT (FOX/Estrella) (O&O)
 KYLE (MNTV/Estrella) (O&O)
 El Paso, TX (92)
 KTSM (NBC/Estrella) (O&O)
 Tyler-Longview, TX (109)
 KETK (NBC/Estrella) (O&O)
 KFXX (FOX) (LSA)
 KFYL-LD (FOX) (LSA)
 KLPN-LD (MNTV) (LSA)

Amarillo, TX (131)
 KAMR (NBC) (O&O)
 KCIT (FOX) (LSA)
 KCPN-LP (MNTV) (LSA)
 Lubbock, TX (144)
 KLBK (CBS) (O&O)
 KAMC (ABC) (LSA)
 Wichita Falls, TX-Lawton, OK (147)
 KFDD (NBC) (O&O)
 KJTL (FOX) (LSA)
 KJBO-LP (MNTV) (LSA)
 Odessa-Midland, TX (145)
 KMID (ABC) (O&O)

VERMONT

Burlington, VT (98)
 WFFF (FOX) (O&O)
 WVNY (ABC) (LSA)

VIRGINIA

Roanoke, VA (69)
 WFXR (FOX/CW) (O&O)
 WWCW (CW/FOX) (O&O)

WEST VIRGINIA

Charleston/Huntington, WV (67)
 WOWK (CBS) (O&O)
 Wheeling, WV/Steubenville, OH (157)
 WTRF (CBS) (O&O)
 Bluefield/Beckley, WV (160)
 WVNS (CBS) (O&O)
 Clarksburg/Weston, WV (169)
 WBOY (NBC) (O&O)

WISCONSIN

Green Bay, WI (68)
 WFRV (CBS) (O&O)
 LaCrosse, WI (128)
 WLAX (FOX) (O&O)
 WEUX (FOX) (O&O)

Network Affiliation Agreements



Long-term record of negotiating mutually beneficial Network Affiliation agreements

Affiliation Agreements

- 100% of all "Big Four" markets are renewed through YE2016
- Creating the first NBC affiliate in Lafayette, LA and the MyNetworkTV affiliate in Waco, TX (both effective 7/1/15) through efficient re-allocation of Nexstar's existing spectrum assets

Long Term Affiliation Contracts with "Big 4" Networks



Affiliations renewed through 12/16



Affiliations renewed through 12/17



Affiliations renewed through 12/18 & 6/20



Affiliation renewal through 12/19

Note: Affiliation expiration based on Nexstar and Mission owned stations as of 12/31/14

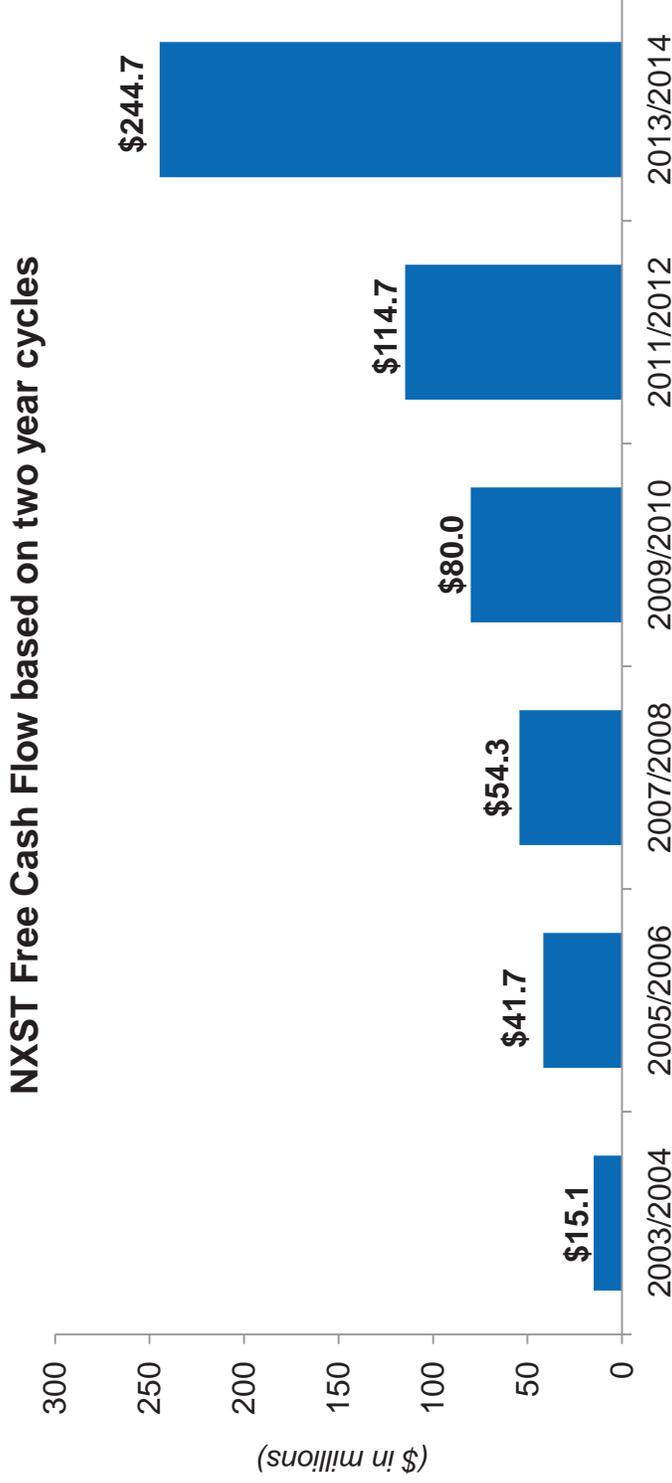


Financial Overview

Growing Two Year FCF Cycle (FY)



Significant Free Cash Flow Growth Since IPO



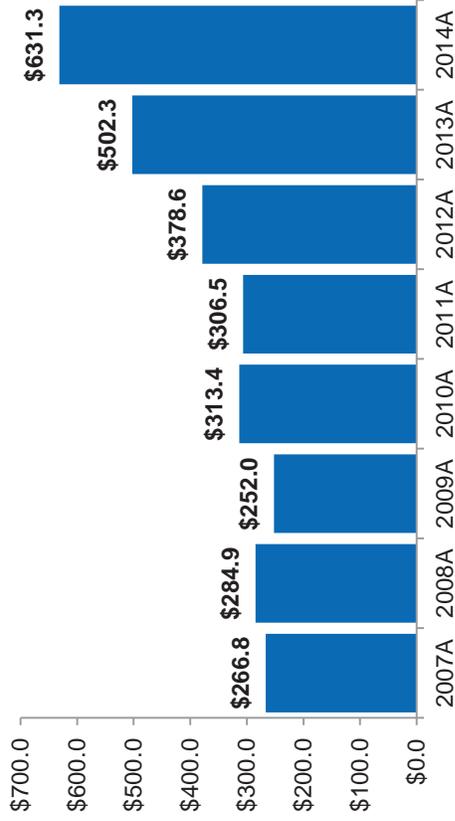
Organic Growth, fueled by Political and Retransmission Revenues, and Contributions from Recently Completed Transactions will drive Free Cash Flow to ~ \$482 Million in 2015/2016

- ~30.6 million outstanding shares (reflecting repurchases of approximately one million shares in Q3'15)
- Accretive M&A and debt retirement/leverage reduction priorities

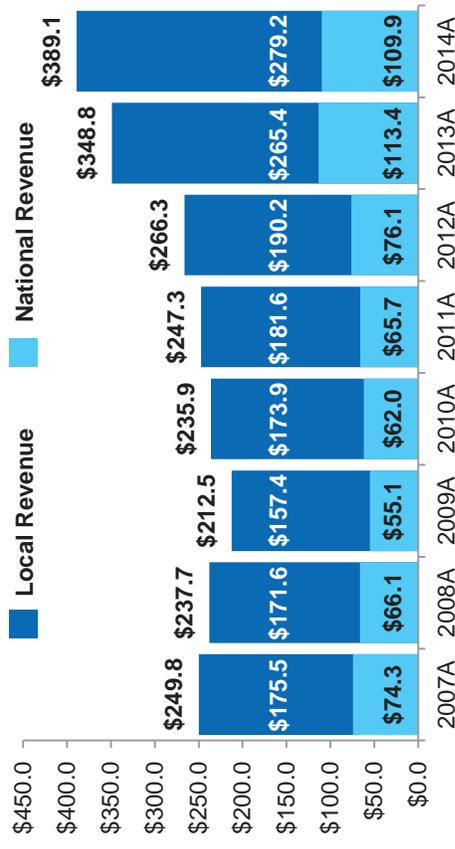
Historical Financial Summary (in millions)



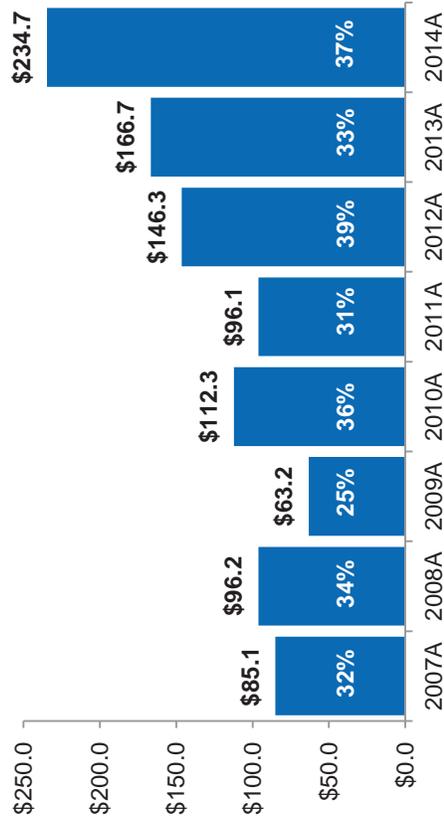
FY Net Revenue



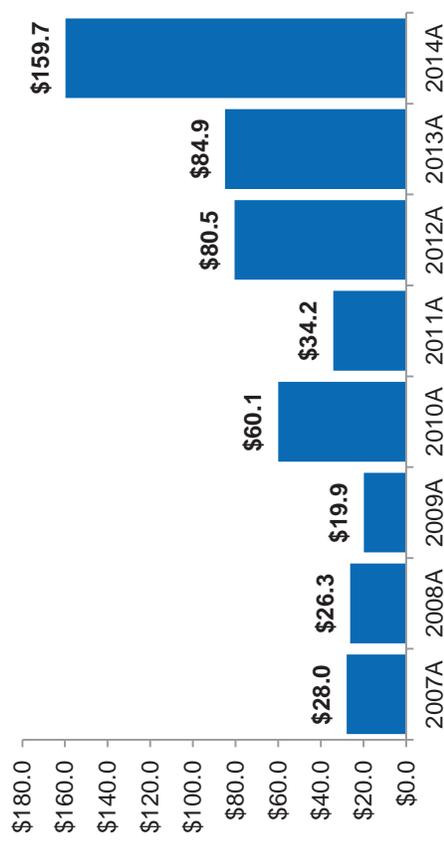
FY Core Revenues



FY Adjusted EBITDA⁽¹⁾



FY Free Cash Flow⁽²⁾



(1) Adjusted EBITDA is calculated as BCF less corporate expenses.

(2) Free cash flow is EBITDA less cash interest expense, capital expenditures and net cash income taxes

Q3 / Nine Months 2015 Financial Summary (in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,		Change
	2015	2014	2015	2014	
(\$ in thousands)					
Local Revenue	\$ 88,018	\$ 65,828	\$ 266,533	\$ 201,931	+32.0 %
National Revenue	\$ 37,899	\$ 25,572	\$ 112,270	\$ 78,836	+42.4 %
Core Revenue	\$ 125,917	\$ 91,400	\$ 378,803	\$ 280,767	+34.9 %
Political Revenue	\$ 2,563	\$ 18,179	\$ 4,829	\$ 28,928	(83.3) %
Retransmission Fee Revenue	\$ 80,045	\$ 40,740	\$ 216,328	\$ 110,829	+95.2 %
Digital Media Revenue	\$ 20,127	\$ 12,936	\$ 60,619	\$ 32,461	+86.7 %
Other	\$ 1,406	\$ 1,170	\$ 3,986	\$ 3,282	+21.5 %
Trade and Barter Revenue	\$ 11,537	\$ 7,629	\$ 34,715	\$ 22,458	+54.6 %
Gross Revenue	\$ 241,595	\$ 172,054	\$ 699,280	\$ 478,725	+46.1 %
Less: Agency Commissions	\$ 16,698	\$ 14,310	\$ 49,670	\$ 40,218	+23.5 %
Net Revenue	\$ 224,897	\$ 157,744	\$ 649,610	\$ 438,507	+48.1 %
Gross Revenue Excluding Political	\$ 239,032	\$ 153,875	\$ 694,451	\$ 449,797	+54.4 %
Income from Operations	\$ 48,315	\$ 41,696	\$ 138,761	\$ 104,338	+33.0 %
Broadcast Cash Flow	\$ 84,290	\$ 66,095	\$ 245,379	\$ 175,408	+39.9 %
Broadcast Cash Flow Margin⁽¹⁾	37.5 %	41.9 %	37.8 %	40.0 %	
Adjusted EBITDA	\$ 73,182	\$ 57,415	\$ 212,114	\$ 149,123	+42.2 %
Adjusted EBITDA Margin⁽¹⁾	32.5 %	36.4 %	32.7 %	34.0 %	
Free Cash Flow	\$ 46,243	\$ 38,870	\$ 139,265	\$ 94,503	+47.4 %

1) Broadcast cash flow margin is broadcast cash flow as a percentage of net revenue. Adjusted EBITDA margin is Adjusted EBITDA as a percentage of net revenue.

Debt/Leverage Analysis



Nexstar Debt/Leverage Analysis

<i>(in millions)</i>	TTM ENDED					3-Mo ENDED
	12/31/2011	12/31/2012	12/31/2013	12/31/2014	PF12/31/14*	09/30/15
Revolver	\$ 24.3	\$ -	\$ -	\$ 5.5	\$ 41.0	\$ 7.0
TLB	148.1	288.3	545.4	705.1	705.1	686.4
8.875% Sr Sec 2nd Lien Notes	318.4	319.4	-	-	-	-
6.875% Sr Sub Notes	-	250.0	525.7	525.6	525.6	519.6
6.125% Sr Sub Notes	-	-	-	-	275.0	272.1
7% Sr Sub Notes	149.6	-	-	-	-	-
11.375% Senior discount notes	-	-	-	-	-	-
Total Debt	\$ 640.4	\$ 857.8	\$ 1,071.1	\$ 1,241.6	\$ 1,546.7	\$ 1,485.1
Cash on Hand	\$ 7.5	\$ 69.0	\$ 40.0	\$ 131.9	\$ 20.0	\$ 23.4
Reported EBITDA	\$ 96.2	\$ 146.3	\$ 166.7	\$ 234.7	\$ N/A	\$ 73.2
Compliance EBITDA	\$ 103.3	\$ 189.5	\$ 176.7	\$ 211.2	\$ 343.6	\$ 344.3
Compliance Leverage:	6.20x	4.16x	5.84x	4.40x	4.49x	4.26x
FCF	\$ 34.2	\$ 80.5	\$ 84.9	\$ 159.7	\$ N/A	\$ 46.2

*Pro-forma for transaction financings through 1/29/2015.

Transformational Acquisitions and Operating Strategies Driving Record FCF



- **Closed and Successfully Integrated Highly Accretive Acquisitions**
 - Increased station platform by ~70% since YE'12
 - Closed ~\$650 million in acquisitions since 12/1/14
- **Continued Double Digit Growth of Non-core Revenue Channels**
 - **Political** – strong even and odd year political revenue growth
 - Even year CAGR of 25.0% (2008-2014)
 - Odd year CAGR of 6.1% (2007-2013)
 - **Retransmission** contract renewals for >200 retrans agreements in last two years
 - High sub counts, no service interruptions
 - Agreements with 3 of 5 top distribution partners
 - ~60% of sub base successfully re-priced in 2013 and 2014
 - ~85% of sub base to be re-priced in 2015 and 2016
 - **Digital Media** platform rapidly expanding
 - New revenue applications and monetization of mobile marketing initiatives leading to organic growth and growth through accretive acquisitions
- **Broadcasting Spectrum monetization opportunity**
- **Declining cost of capital and leverage**
 - Weighted average cost of debt declined to ~5.0% at YE2014 from ~5.75% at YE2013
 - Net leverage ratio declined to 4.26x at 3Q2015 from 4.40x at YE2014
- **Strong operating fundamentals, accretive M&A transactions, share repurchases and strengthened balance sheet driving record free cash flow**
 - Nexstar expected to generate free cash flow of \$482 million during the 2015/2016 cycle, or average free cash flow of approximately \$7.85 per share per year
 - On pace to return approximately \$72.0 million to shareholders in FY 2015, or approximately \$2.00 per share



Nexstar
 BROADCASTING GROUP, INC.
 Keeping it Local
 NXST: NASDAQ



43rd Annual Global Media & Communications Conference

Perry Sook, Chief Executive Officer
 Tom Carter, Chief Financial Officer
 December 8, 2015