



October 6, 2022

The Honorable Jessica Rosenworcel
Chairwoman
Federal Communications Commission
45 L Street, Northeast
Washington, D.C. 20554

Dear Chairwoman Rosenworcel:

We write regarding our concerns about the proposed transaction involving TEGNA Inc., Standard General LP, and Apollo Global Management, Inc., currently before the Federal Communications Commission (FCC).¹ By law, the FCC is required to determine whether the proposed transaction will serve the public interest, convenience, and necessity.² After reviewing the public record, we are concerned that this transaction would violate the FCC's mandate by restricting access to local news coverage, cutting jobs at local television stations, and raising prices on consumers. Consistent with applicable law and regulation, this transaction deserves your full and complete attention to determine if it truly serves the public interest.

As you have noted in the context of previous mergers, the FCC has "long-standing duties to ensure that the use of our airwaves is consistent with the values of localism, competition, and diversity."³ Localism is a core tenet of broadcast journalism that serves the public interest – but we fear the proposed transaction could jeopardize that important goal. The proposed new owners previously told investors they believe TEGNA's local stations have too many employees, a potential signal of their intent to lay off local journalists.⁴ At the same time, they have described piping in news produced in Washington, D.C., to fill time on local newscasts as a public interest benefit, potentially leading to fewer local journalists and less local news.⁵ The proposed

¹ *Media Bureau Establishes Pleading Cycle for Applications to Transfer Control of TEGNA, Inc., to Standard General, L.P., and Permit-But-Disclose Ex Parte Status for the Proceeding*, MB Docket No. 22-162, DA 22-443 (Apr. 21, 2022) (Public Notice).

² 47 U.S.C. § 310(d).

³ *Applications For Transfer of Control of Tribune Media Company to Nexstar Media Group, Inc., and Assignment of Certain Broadcast Licenses and Transfer of Control of Certain Entities Holding Broadcast Licenses*, Memorandum Opinion and Order, Statement of Commissioner Jessica Rosenworcel, Dissenting, 34 FCC Rcd. 8436, 8478 (2019).

⁴ *See, e.g.*, Petition to Deny of Common Cause and United Church of Christ Media Justice Ministry, MB Docket No. 22-162, at 19-21 (filed Jun. 22, 2022) (Common Cause/UCC Petition to Deny); Petition to Dismiss or Deny of The NewsGuild-CWA and the National Association of Broadcast Employees and Technicians-CWA, MB Docket No. 22-162, at 3-4, 14-18 (filed June 22, 2022) (TNG/NABET Petition to Deny).

⁵ *Id.*

transaction also threatens to undermine localism, competition, and diversity by obscuring ownership of the airwaves through offshore holding companies in the Cayman Islands and British Virgin Islands.⁶ Similarly, this transaction would stretch the limits of the FCC's ownership rules.⁷ As you recall, we wrote the FCC in 2017 opposing the "UHF Discount,"⁸ a loophole which has primarily been used to justify exempting certain powerful conglomerates from following the law. The discount remains without technical or legal justification.⁹

Additionally, some have suggested that Wall Street designed this acquisition to raise pay TV prices on consumers, given the complicated nature of the proposed transaction.¹⁰ By structuring the transaction to apparently trigger "after-acquisition" clauses in retransmission consent contracts, the proposed new owners of TEGNA could immediately charge higher fees to pay TV providers, which may in turn be passed on to pay TV consumers.¹¹ The prices and fees charged for pay TV service have already skyrocketed in recent years¹² – and we are concerned about the impacts of further price increases on American families as they confront higher costs across the board.

The recent letter from the FCC Media Bureau (the Bureau) requesting further information was a welcome development and suggests a more thorough review of the public interest claims made by the applicants.¹³ We are particularly pleased that the Bureau has requested additional information concerning specific plans for local news, the complex ownership structure, and calculations of post-transaction retransmission consent rate increases, among other things. Given the potential impacts this transaction will have on our media marketplace, we believe that this further scrutiny is appropriate.

We urge you to fully examine the concerns raised by public comments – and shared by many of our colleagues in the Congress – about this proposed transaction, consistent with the applicable laws and regulations.

⁶ See Amended Petition for Declaratory Ruling of Teton Parent Corp., MB Docket No. 22-162 (amended Mar. 23, 2022).

⁷ See Public Notice at 2; Common Cause/UCC Petition to Deny at 26-28.

⁸ Letter from Rep. Nancy Pelosi, Democratic Leader, and Rep. Frank Pallone, Jr., Ranking Member, House Committee on Energy and Commerce, to Chairman Ajit Pai, Federal Communications Commission (Apr. 19, 2017).

⁹ See Common Cause/UCC Petition to Deny at 26-28.

¹⁰ See, e.g., Comments of Altice USA, Inc., MB Docket No. 22-162 (filed June 22, 2022).

¹¹ See *id.*; Common Cause/UCC Petition to Deny at 21-25; TNG/NABET Petition to Deny at 18-23.

¹² See, e.g., Consumer Reports, *What the Fee?! How Cable Companies Use Hidden Fees to Raise Prices and Disguise the True Cost of Service* (Oct. 2019).

¹³ Letter from Holly Saurer, Chief, FCC Media Bureau, to Scott C. Flick, Esq., Counsel to SGCI Holdings III LLC, et al. (Sept. 30, 2022).

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Thank you for your consideration, and we look forward to your timely response.

Sincerely,



Nancy Pelosi
Speaker of the House



Frank Pallone, Jr.
Chairman
Committee on Energy and
Commerce