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WHAT THE INDUSTRY READS FIRST

Round Three: Standard General, TEGNA Make Their Merger Case

The **FCC's** third comment period for **Standard General** and **TEGNA's** combination closed Friday, but it's still not clear when regulators will complete their review of the decision.

Each day of indecision is costing Standard General more with the merger agreement including a ticking fee that has been escalating the purchase price every day since Nov. 22. As of Friday, that increase exceeded \$22 million. That ticking fee will go on through the end of February, then there's the option of extending the ticking fee for another three months. "But we are optimistic and obviously would prefer economically to get this done during the current ticking fee that's in place today," *Soo Kim*, Managing Partner and Chief Investment Officer for Standard General, said in a call with reporters Monday. He said the company felt confident in the prospects of the transaction. Asked about whether TEGNA and investors would be open to extending the deal or negotiating on the ticking fee, he said he couldn't speculate. "We think we are offering a great deal to take to shareholders and that there are strong incentives from TEGNA's perspective to want to do a deal," Kim said.

Standard General's FCC filing Friday didn't provide much new information, with it telling the agency that **NCTA** and the **American Television Alliance** have made too much of **Cox Media Group** owner **Apollo Global Management's** involvement in the proceeding. "[They] have relentlessly sought in this proceeding to inflate the importance of AGM's role as one

of many investors in this transaction, claiming (falsely) that the transactions will result in the 'intertwining of [CMG] and TEGNA' and 'allow the two parties to control about 70 television stations,'" Standard General said. "But AGM and CMG will have no role in the operation of TEGNA—they will have only usual and customary minority investor protections that the Commission has approved countless times—rights that are explicitly enumerated in the record and which no petitioner or commenter has even discussed, much less challenged."

NCTA, ATVA and **DISH** have all raised fears that the transaction could result in higher broadcast retransmission consent fees, something that got the attention of Sen. *Elizabeth Warren* (D-MA), who has asked the FCC to block the merger. Standard General said last month it would agree to all the retrans-related conditions outlined by NCTA, although the association told the FCC [last week](#) that Standard General edited some of its proposals.

Kim suggested concerns over a retrans fee reset for stations are overblown. "There was a time when this mattered more for transactions. But again, as we go to a later stage of the TV broadcast industry, I think that the differences between operators are not as high. Our voluntary waivers are a reflection that it doesn't really matter. It definitely doesn't matter in the medium or any longer term," he said.

DISH, which lost CMG stations on Nov. 28, has called for including Apollo/CMG in conditions. Kim wouldn't address any specific petitioners by name, but said Standard General can only speak for itself. "I am confused as to why they would they would

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try to get us to speak for another party,” he said. “My layman’s view is that’s really a commercial dispute between two parties, both who are tangentially related to the deal. I don’t necessarily believe our FCC regulatory approval process should be the place where those commercial disputes conversations should happen.”

The next step is likely for the parties to have meetings with the FCC’s Media Bureau as well as Chairwoman *Jessica Rosenworcel* and commissioners. *New Street Research* predicts the ex partes describing those meetings will be more telling than Friday’s filing. “The two most recent sets of filings ended up reiterating prior positions, rather than bringing the parties closer to conditions they all can live with. That is not uncommon, but now the FCC, and in particular the Chair, will have to be more assertive in determining the direction of the deal,” the firm wrote in a research note.

NEWSMAX COULD LOSE DIRECTV

Freshman Congressman *Wesley Hunt* (R-TX) is rallying the troops in support of **Newsmax**, which could be dropped by **DirectTV** as soon as tomorrow. *The Washington Examiner* obtained a [letter](#) that Hunt wrote to DirecTV, **AT&T** and **TPG Capital** that was co-signed by 41 other GOP lawmakers that said the TV provider’s inability to come to an agreement with Newsmax over cable fees signals “a political decision” to censor conservative media. DirecTV dropped conservative net **One America News** last year, and is currently being [sued](#) by **Herring Networks**. The Examiner, citing Hunt’s office, said Newsmax is slated to be removed from DirecTV’s lineup at 11:59 p.m. on Tuesday. Newsmax didn’t respond to a request for comment by deadline. DirecTV did, taking issue with the channel now seeking payment

even as it offers its programming for free through streaming options. “We deliver Newsmax to our national base of satellite and IPTV customers today at no cost to the programmer or our customers, ultimately offering Newsmax the ability to generate considerable advertising revenue at no cost. We’ve discussed with Newsmax on several occasions that we’d like to offer their programming, however the network is now seeking significant fees that we would have to pass on to our broad customer base,” DirecTV said in a statement. “Additionally, the same programming offered by Newsmax today is already available at no charge to 100% of U.S. households including our customers via NewsmaxTV.com, **YouTube.com** and on multiple streaming platforms like **Amazon Fire TV**, **Roku** and **Google Play**.”

NEXSTAR WANTS COMCAST COMPLAINT DISMISSED

Nexstar and **Mission Broadcasting** told the **FCC** that **Comcast’s** complaint alleging they failed to negotiate retransmission consent in good faith is really just an attempt to force a proceeding on attribution of **WPIX**. Comcast filed the retrans complaint on Dec. 12, with Nexstar and Comcast reaching a renewal five days later that included the return of WPIX. “Comcast’s refusal to withdraw the complaint—as is routine when negotiations are completed—underscores that its filing was merely a pretext for trying to force a proceeding based on arguments that Comcast has already presented to the FCC,” Nexstar told the FCC. In July 2021, Comcast asked the FCC to issue a ruling that Nexstar should actually be [attributed ownership](#) of Mission-owned NYC station WPIX, which would make it in violation of the 39% cap on broadcast national audience reach. Charter has made a similar request, with the FCC Media Bureau revealing on March 18, 2022 that it is reviewing the

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issue as an informal complaint. It's been crickets ever since. As for the good faith complaint, Nexstar said it didn't refuse to negotiate, unreasonably delay negotiations or put forth a single, unilateral proposal and that it was actually Comcast that deviated from the requirement to negotiate in good faith. "However, the negotiations have been successfully completed. There is no controversy for the FCC to resolve, and Comcast's prayers for relief are no longer relevant," Nexstar said in its request for dismissal.

DISNEY PORTFOLIO HELPS AHEAD OF UPFRONT

Disney's arsenal of brands will only help its ad sales ahead of the company's 2023 upfront, especially as it focuses on scaling the framework and technology that it's developing to advertisers. That's according to **Disney Ad Sales** President *Rita Ferro*, who spoke at a fireside chat on **LinkedIn** Monday. The company is adjusting to a market that's trudging through a turbulent economy, which places a greater emphasis on performances and outcomes. But with the absence of a single solution for audience measurement across different platforms to illustrate results, Disney is investing in finding a currency or measurement that covers linear, CTV, out-of-home and mobile platforms. While tricky to accomplish, Ferro thinks it's crucial to have the right framework. "We're laser-focused on [the] expansion of measurement in the future," she said. "There's no one size fits all. When you think of everything from sports to streaming to entertainment, we want to make sure we're able to validate and qualify every one of those outcomes for our customers." Advancements in measurement solutions will supplement first-party and proprietary data, thus letting Disney leverage said information with partners. Ferro pointed to the company's previous work with **Hyundai**—which meshed in a **Marvel** campaign—as an example of the breadth Disney can cover with its portfolio and audience. "We're going to continue to deepen what we're doing with our partners in the industry, as well as our marketing partners, to be able to enable everything that we're doing in the marketplace," she said.

FCC ASKED TO DECIDE ON LTD RDOF PETITION

NTIA's \$42 billion BEAD program has the nation excited for the closure of the digital divide, but there are still folks waiting for the **FCC** to tie up loose ends related to the Rural Digital Opportunity Fund. *Trish Harren*, the Administrator of Mower County, Minnesota, is asking the agency to make a decision on **LTD Broadband's** application for reconsideration so the local government can decide whether to pursue other funding opportunities for broadband expansion. The FCC rejected the long-form applications of both LTD Broadband and **Starlink** in August after determining that they failed to demonstrate they could deliver the service promised through their winning bids. Both have filed applications for reconsideration in hopes the Commission will reverse its decision. Because Mower County is in the area covered by LTD Broadband's pending RDOF winnings, it has been ineligible to apply for state funding through the Minnesota Border to Border broadband grant program. "Until a final determination is made on whether LTD will receive funding to build out in our unserved and underserved areas, we are at a standstill in our ability to move forward. It is unfair to our residents to continue to be in limbo," Harren said in comments filed Monday. "If it is determined LTD is not eligible for the funding, then please

give the funds to another ISP or re-auction our area."

UNIQUENESS CELEBRATED BY COX MOBILE

Annie, a CGI sheep, is the face of **Cox Mobile's** first national advertising [campaign](#). The sheep with the computer-generated lightning bolt tattoo represents the individuality of each Cox Mobile customer. Cox Communications' wireless offering allows customers to purchase unlimited plans for \$45/month or to "Pay As You Gig" for \$15/gigabit per line.

IAB TECH LAB MAKING PROGRAMMATIC GREEN

IAB Tech Lab, the digital advertising technical standards body, is launching a program designed to help the ad industry meaningfully lower carbon emissions. It's a part of a larger effort from **IAB** and IAB Tech Lab exploring how the industry can develop a framework for the measurement and management of greenhouse gas emissions from media. The initiative will see IAB Tech Lab work together with industry partners like **Ad Net Zero** and **Scope 3** to determine how to quantify carbon emissions that are sent and received programmatically as well as how to operationalize the lowering of those emissions. IAB Tech Lab is also forming a Green Initiative Working Group next month to bring together industry professionals to discuss approaches, best practices and updates to supply chain frameworks that can minimize carbon impact.

ON THE CIRCUIT

FCC Commissioner *Brendan Carr* will deliver a keynote to the crowd at the **ACA Connects'** Summit on March 1 in D.C. He'll offer an update on key regulatory issues and the Commission's broadband maps at the association's first in-person summit since 2019, to be held from Feb. 28-March 2 at the Grand Hyatt Washington.

RATINGS

"The Price of Glee," a limited three-part series that chronicles what happened behind the scenes of **Fox's** "Glee," boosted **ID** to be the No. 1 cable network without sports among P25-54 and W25-54 on Jan. 16 in the 9pm-midnight timeframe. The program had over 3.4 million total viewers, averaging a .43 live plus three-day rating among P25-54 and a .64 live plus three-day rating in the W25-54 demo. It also saw success streaming wise as it was the top driver of new subscribers to **discovery+** for the week of Jan. 16. – The Season 4 premiere of **TLC's** "1000lb Sisters" had 2.5 million viewers P2+ on top of a 1.64 W25-54 rating and a 1.17 P25-54 rating. That lifted the show to the top spot on cable among W25-54 and W18-49 for Tuesday night, solidifying a seventh consecutive week for TLC having the No. 1 cable show on Tuesday nights in W25-54.

FIBER FRENZY

Comcast is expanding its fiber network to over 2,600 residents and businesses in Plainfield, Connecticut, with construction slated to wrap up in 2023. The project adds to Comcast's \$312 million investments across the state from 2019-21, giving customers access to Xfinity's full suite of products and Xfinity Mobile.

PEOPLE

Hallmark Media tapped *Stefanie Nimick* as SVP, Portfolio Content Distribution & Platform Marketing. The former **Starz** exec will be based in Chicago and report to EVP, Distribution & Content Strategy *Judi Lopez*.