CFX DAILY
WHAT THE INDUSTRY READS FIRST

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QUOTABLE

"As we've seen with Nexstar-Tegna, other state AGs have been recruited to join that suit. And some were being recruited where there weren't any TV stations in the state. Thankfully, some said no, but that's always kind of interesting to me. A lot of it is for headlines because AG really does stand for 'aspiring governor.' They are politicians." - Former FCC Commish Robert McDowell on state challenges to Nexstar-Tegna merger

NEXSTAR, SCRIPPS ON MERGER MADNESS

Things seemed rosy back in February when **Nexstar** and other broadcasters expressed optimism about their ability to consolidate quickly in a favorable regulatory environment under the *Trump* administration. Not so fast. While it's true, Nexstar got the thumbs up it needed from the **FCC** and **DOJ** to acquire **Tegna**, that $6.2 billion merger is now tied up in the courts, facing legal challenges from state AGs and **DirecTV** that will keep the combo in limbo for months (if not years).

Nexstar President/COO *Michael Biard* phoned into **Gabelli**'s annual sports and media symposium in NYC on Thursday to give a status update on where things stand in the courts. The broadcaster filed an appeal in the **Ninth Circuit** to ease a preliminary injunction halting Nexstar and Tegna from fully integrating, while also arguing the merits of the antitrust case in the **U.S. District Court for the Eastern District of California**. According to Biard, a successful appeal will "materially reduce the scope of the preliminary injunction and/or eliminate the state plaintiffs for a lack of standing." Nexstar is looking forward to oral arguments, "hopefully in August, maybe as late as September," which will give the company a sense of what the timeline will be. "But it's a matter of probably months, not weeks, for sure in terms of the underlying trial," Biard added.

The exec took a few shots at the merit of DirecTV's challenge specifically during the session, saying that "if we're left with just DirecTV and a much narrower preliminary injunction, the antitrust claims by DirecTV will be seen much more starkly for what they are, which is, in our point of view, just a commercial dispute where DirecTV has leveraged the courts to improve their position at the bargaining table."

Later, while discussing how **Charter** rethought the pay TV bundle, Biard suggested DirecTV should focus on improving its own packages instead of challenging broadcast M&A. "I wish DirecTV would spend as much time focusing on their product as they do elsewhere. They probably would see performance that's closer to Charter's, but they've chosen to spend their time fighting broadcasters on retransmission consent, opposing every form of broadcaster M&A at the FCC, and then pursuing litigation rather than negotiation," he said. "A bit of a digression, but I think it is relevant to the trends that you're seeing and some of the disparity in performance among different pay TV distributors."

CFX reached out to DirecTV for comment, but did not receive a response by deadline. As a private company, DirecTV doesn't publicly share its subscriber numbers. However, it frequently announces carriage deals, and it has several bundles of streaming services with live channels that appear similar to Charter's.

Meanwhile, Biard called the challenges by 13 states, led by California AG *Rob Bonta*, a "largely political performance." Former Republican **FCC** Commissioner *Robert McDowell* made a similar comment during a regulatory session, quipping that "AG" stands for "aspiring governor."

Two parties paying close attention to this saga's outcome are **Sinclair** and **Scripps**, who are also seeking to grow through M&A. In fact, Scripps swatted away an unsolicited $622 million cash and stock offer from Sinclair last year. Both broadcasters joined the symposium and addressed a deal that, at least, in Sinclair's eyes still makes sense.

"We would still like to engage with Scripps if they are interested," Sinclair VP, Investor Relations *Christopher King* said during his talk, echoing remarks made by President/CEO *Chris Ripley* during an earnings call in April where he suggested Scripps remained an M&A target. Sinclair is the largest single shareholder of non-voting Scripps stock. As far as the larger consolidation playing field, King said Sinclair sees "massive opportunities" out there, including to swallow up any assets Nexstar is forced to divest to settle the Tegna merger. "We do think that the loosening of the regulations in Washington will drive M&A forward for the industry," he added.

But why wasn't Scripps that into Sinclair? Scripps recently embarked on a transformation journey to improve enterprise EBITDA by approximately 30% by 2028, and the company felt Sinclair's offer wouldn't set it up for success.

"For us, especially if there was going to be a stock deal and our shareholders were going to be invested in the success of the future enterprise, a lot of things have to be true. It not only has to be the right price, it has to be the right governance structure. I don't have much issue with any of the TV stations that Sinclair has or the hardworking people that actually work in those TV stations, but there is a dramatic difference between the ethos of our company and the ethos of Sinclair's leadership," Scripps President/CEO *Adam Symson* said.

"It would be a very different case if there was a significant all-cash offer," Symson added. "Increasing EBITDA by a third is going to have a dramatic impact on our share price. And while it's not necessarily appearing in the equity today, if you do the math, you would then fairly clearly see that their offer of stock and cash was way too low. So from our perspective, our board was just simply looking out for the best interest of our shareholders." - *John Saavedra*

INDUSTRY COMPARES NOTES ON VANDALISM

NCTA's newly updated network vandalism report found 18,327 incidents. That averages to 1,527 incidents per month, a 59% increase in infrastructure attacks since 2024. And the consensus throughout Thursday's day-long telecom industry summit on vandalism was that the numbers probably underrepresent what's actually happening. "I've been doing this for about 40 years. I've been in operations my whole career, started as a tech, and I have never seen it this bad," **Charter** EVP, Field Operations *Tom Monaghan* said at the fourth **Telecom Industry Summit on Protecting Critical Communications Infrastructure**, held at **Comcast**'s HQ Thursday. **T-Mobile** went from about 100 incidents of theft and vandalism on its network a month in 2025 to more than 200 in 2026, according to SVP of Network Infrastructure Operations *Lori Ames*. **AT&T** sees about 1,000 incidents a month—four times what it used to be in 2024, with the same sites often ripped up repeatedly, per VP of Access Construction and Engineering *Alisha Remek*. Monaghan said Charter is taking the "extreme" move of rerouting fiber around hotspot areas, such as a particularly vandalism prone five-block area in L.A. The summit featured

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wireless and wireline providers that are fierce competitors, but vandalism is an area where they've found common ground. "A really important outcome here is the collaboration of all of us because any one of us might not see that, but all of us together will see those patterns," said T-Mobile's Ames. There's always room for improvement though, with Comcast Chief Network Officer *Elad Nafshi* noting that while there is some communication between companies and Comcast serves "thousands of T-Mobile cell towers today—it's not coordinated. I think there's a call to action here. There is definitely an opportunity from this forum to establish that a lot better." – An updated analysis from Western North Carolina professor *Edward Lopez* estimates that disruptions imposed societal costs, mostly borne by consumers, ranging from $294 million to $1.47 billion in 2025. The wide range reflects two variables the model can't resolve with hard data—how much more an outage actually costs people beyond their monthly bill and how far the disruption ripples through a network. Lopez's best-estimate scenario sits around $735 million, with the extremes representing what happens if those ripple effects are either modest or severe.

AI THREATS, COPPER THIEVES, AND A LOT OF NEW LAWS

FCC Commissioner *Olivia Trusty* spoke at Thursday's summit, warning that AI is beginning to play a role in infrastructure vandalism. "The combination of AI tools and dark web marketplaces is lowering the barrier to entry for would-be attackers. You no longer need to be a sophisticated operative to access the tools, the knowledge and the network that make a coordinated infrastructure attack," she said. AI allows bad actors to analyze public data, such as infrastructure maps and FCC filings, to pinpoint locations to cause maximum disruption. Trusty acknowledged that there's no widespread, confirmed misuse of AI in infrastructure vandalism, but said the potential is there and needs to be addressed. One way to help, she said, is to hasten the transition from copper to next-gen networks like fiber, which also have predictive analytics for threat detection. Fiber has no value at the scrapyard and it's harder to steal—though throughout the day we heard stories of people stealing it thinking it was copper. -- Another way to help is through laws. So far in 2026, over 23 states have introduced legislation, and 13 states have passed new laws strengthening protections for critical communications infrastructure. Colorado, Connecticut, Oregon and Virginia adopted felony-level protections. There's also legislation that's been introduced on the federal level that would criminalize willful or malicious damage to privately owned communications infrastructure. -- When the scrap metal is hot, you need to **STRIKE**. That's a reference to the industry's Strategic Threat Response and Infrastructure Knowledge Exchange coalition, which was part of Thursday's summit. A key legislative initiative for 2026 is to create disincentives for folks to attack for scrap metal. Several states have passed laws enhancing scrap metal regulations, which include prohibiting scrap metal dealers from accepting things such as telecom wire.

NAB'S PRO-BROADCAST SPORTS CAMPAIGN

Broadcasters have launched a new television spot to amplify their message that sports belong on broadcast TV. "More and more, the games fans love are getting locked behind paywalls—another app, another fee, another way fans get left behind," says the ad. It urges viewers to text "SPORTS" to 39179, which takes them to an **NAB** campaign to blanket lawmakers with public comment to stand in support of broadcasters. The **FCC** is currently evaluating what sort of impact a fragmented streaming market is having on live sports. Taking the opposite view of NAB is the **Consumer Technology Association** (CTA), which argues that streaming and other platforms have expanded access to sports, increased consumer choice and fueled the growth of women's and niche sports. CTA points to the **Professional Women's Hockey League**, whose games are typically only available on pay TV or for free on the league's **YouTube** channel.

NEXSTAR SAYS NO TO RSNS

With sports leagues preparing to renegotiate their media rights deals in the coming years, there's plenty of curiosity about where local broadcasters will fall in a potential rights reshuffling. One thing is for sure: **Nexstar** isn't interested in spending cash to recreate the RSN model. "Most of our stations trying to carry a full season of a team, let alone multiple teams in a market, would be hugely disruptive, either to the programming that we have on our Big Four affiliated stations, or the programming that we have on our **CW** stations. There's not a lot of shelf space for us to carry full seasons of teams," Nexstar President/COO *Michael Biard* said during a symposium Thursday. "Secondly, the economics of that don't make a lot of sense. We don't have any interest in writing big checks that we then have to go pay for through increasing retrans. We've seen others try and do that, and I'm not sure how well that's going to work out for them, but that's their business." Instead, Nexstar sees broadcast as "a perfect complement to a multi-platform regional approach," where teams can leverage broadcast's reach to grow their brands beyond what's possible via DTC and RSNs.

DISH SUING DAZN

Dish and **Sling** filed a patent infringement complaint against **DAZN** in the **U.S. District Court for the District of Delaware** last week. They claim the sports streaming platform infringes on five adaptive bitrate streaming patents that Dish parent **EchoStar** acquired from **Move Networks** for $45 million in 2010. Dish previously scored infringement victories for these patents at the **U.S. International Trade Commission** against **Peloton**, **iFit** and **Lululemon**'s Mirror.

SCOTUS BACKS FCC IN FINE FIGHT

The **U.S. Supreme Court** upheld the **FCC**'s fines against **AT&T** and **Verizon**, rejecting the wireless carriers' argument that the agency overstepped in leveling civil penalties without a jury trial. AT&T was fined roughly $57 million and Verizon was fined $47 million in 2024 for failing to protect customers' geolocation data. The 8-1 decision found that the carriers' Seventh Amendment rights weren't violated and that they could have challenged the fines and proceeded to a jury trial. Justice *Clarence Thomas* dissented.

SPORTS SYMPOSIUM NOTEBOOK

It's safe to say **Gray Media** is happy with its partnership with the Phoenix Suns. The broadcast group recently extended its Suns deal, which includes OTA and streaming distribution, through 2030, and Gray EVP/CFO *Jeff Gignac* said the success of the partnership is stirring up interest from other teams. "The Phoenix Suns have been one of the best salespeople that we've had," Gignac said during a sports symposium Thursday. "We've had teams that aren't in our footprint call us and say, 'Hey, we've heard good things. Can you guys help us?'...They're seeing the teams that have come back to broadcast have new interest in another generation of fans that gets butts in seats and sells concessions, and the whole thing works better." – **Cooley LLP** Partner/former Republican **FCC** Commish *Robert McDowell* was asked to chime in on the FCC scrutiny sports leagues are facing regarding the live sports ecosystem. "Chairman *Carr* has made this an issue for the FCC. I'm searching for the authority there. He doesn't really have authority over the Sports Broadcasting Act, but he does have authority over your license. But the **NFL** doesn't have a license [and] is not a broadcaster," McDowell said. "I don't know how this ends up. It makes for great ink, it's very popular. People want to be able to watch the NFL over the air, and not spend $1000-$1500, or whatever the real number is, buying a bunch of subscription services." – **TVB** President/CEO *Brad Seitter* cited a few numbers from a recent survey as evidence that local broadcast still plays a huge part of the live sports viewing experience: 90% of sports enthusiasts said it was important that their local team's games be made available on their local broadcast station, with 75% saying they watch sports on their local station at least twice a week. Crucially, 78% of respondents said they'd drop their pay TV provider if their local station weren't available in their package.

BASIC CABLE P2+ PRIME RANKINGS*
(05/25/26-05/31/26)

MON-SUN	MC US AA%	MC US AA (000)
FNC	0.703	2263
ESPN	0.613	1974
HGTV	0.271	873
MS NOW	0.268	864
TNT	0.222	713
HIST	0.179	575
CNN	0.176	568
USA	0.156	503
TBS	0.156	502
TLC	0.153	491
HALL	0.152	489
FOOD	0.150	484
DISC	0.133	429
TV LAND	0.116	372
INSP	0.115	369
GSN	0.111	357
BRAVO	0.102	329
A&E	0.095	306
ID	0.095	306
NAN	0.091	293
AMC	0.090	290
HALLMYS	0.088	282
FRFM	0.085	272
FX	0.082	263
OXY	0.080	257
LIFE	0.072	231
PRMNT	0.071	229
WETV	0.070	225
REELZ	0.067	216
TRUTV	0.066	213
SYFY	0.065	208
MLB	0.064	208
COM	0.061	197
DSNY	0.059	189
NWSMX	0.058	186
BET	0.057	184
ADSM	0.055	177
LMN	0.054	174
FETV	0.051	166
MGNLA	0.049	158
ESPN2	0.049	157
TRAVEL	0.047	151
APL	0.043	139
SNDNCE	0.043	138
E!	0.043	138
FXX	0.043	137

**P2+ L+SD rankers are based on national Nielsen numbers, not coverage.*