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

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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. Similarly, this transaction would stretch the limits of the FCC’s ownership rules. As you recall, we wrote the FCC in 2017 opposing the “UHF Discount,” 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.

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. 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. The prices and fees charged for pay TV service have already skyrocketed in recent years – 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. 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.

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