

**REMARKS BY PERRY A. SOOK
CHAIRMAN, PRESIDENT & CEO
NEXSTAR MEDIA GROUP
MEDIA INSTITUTE COMMUNICATIONS FORUM LUNCHEON
APRIL 23, 2019
WASHINGTON, D.C.**

Thank you for having me here today.

I brought a visual aid..... This is my national ownership cap.

The 78% represents the compromise position that the NAB and the members of its television board have endorsed unanimously to the FCC.

It also represents the status quo, as this has effectively been the law of the land since 2004, except for about 14 months of the Wheeler administration at the FCC.

39% household reach coupled with the UHF discount means no one has been able to have national reach in excess of 78% of the US since 2004.

Nexstar, the NAB, its television board membership as well as other TV broadcasters and groups, urge the FCC to clarify and codify this regulation as soon as possible.

But I'd like to take this time to make the case why even this does not go far enough to protect the existence of local television and local journalism.

BIA recently produced a report showing all local revenue by media. The report shows in 2019, out of 16 categories, local television will earn approximately 13% of the pie. Digital, made up of online, email and mobile will garner in excess of 30%. That's this year.

Our own internal survey showed that 47% of our local advertisers are buying ads on Facebook live today.

The point is that most of our regulatory agencies treat television as if it is its own market, while in reality we compete against all of these other entities locally for

share of eyeballs as well as share of the local market revenues.

And I would argue that it is in the national interest to foster and promote the local television industry and our local journalism and allow us to effectively compete against the unregulated behemoths that have unfettered access to 100% of the households in the US, not just 39% or even 78%.

Local television broadcasters are required to disclose who buys our political ads, we are required to maintain safe harbors free of obscene and indecent content.

When a woman committed suicide in a live stream on Facebook two years ago, the excuse was “it was the weekend and we didn’t have staff.” We as local television broadcasters don’t get that pass, and neither should they.

Again, I believe it is in our national interest to allow a regulated industry such as ours to compete on a level playing field serving our video content, at least domestically, with the virtually unregulated companies that do so.

I would offer this up in the name of diversity, and the necessity to maintain our diverse and local viewpoint in the face of our unregulated competition.

Failure to act before it is too late will bring dire consequences, and we need to look no farther than the local newspaper industry to what the future will bring.

For a long time, and maybe for some still, consolidation has been a dirty word. But I would encourage you to view this on a case by case basis.

With the last four companies we have bought, we have sold a total of ten television stations to minority buyers, becoming the largest source of “deal flow” to minority owners in television over the last ten years.

But with the pending Tribune acquisition, Nexstar is currently up against the statutory national ownership cap of 39% and we are unable to grow our footprint under the current regulations.

As I committed to the MMTC two years ago, and made good on that promise, if our industry is deregulated and our company can continue to grow, I again publicly commit to you that I will continue to create more opportunities for

minority buyers as part of our future processes.

With the Tribune acquisition, Nexstar will own or operate 216 television stations in 118 markets. We currently produce over 203,000 hours of local news per year, and that number will grow dramatically with the addition of Tribune. I am very proud of that fact and everyone in the organization, from our board to our employees, takes the obligation to serve our communities very seriously.

We have identified opportunities in every acquired Tribune market to create more local programming. The additional resources of the acquired stations will allow us to expand again our Washington DC news bureau as well as fund and create additional news bureaus in state capitals across our footprint.

Our growing size and scale will enable us to focus additional resources on serving our local markets, and that by the way is the business we are in.

Many have heard me before describing our business as a simple local service business. We make our living providing essential services to our local communities. We are in the business of creating and distributing relevant local content, primarily local news, local talk and lifestyle shows, local sports as well as localized emergency information.

The second essential service is helping local businesses grow. Whether we are using over the air, on line, a D-1, D-2 or mobile, social or the other local media assets in which we have invested, these are all tools in our toolbox to provide solutions and facilitate B to C communications for local advertisers in the markets we serve.

And like every other service business we must invest back into our local communities if we want the communities to spend both time and money with us.

I believe that the future of television is indeed local, and if we focus on our essential services and focus on serving our local communities, I'm confident that we will be in business and it will be a good business for decades to come, regardless of the technology we use to accomplish our mission.

Finally, I was asked to talk about what excites me about the future of our

business. In a word, actually three, it's 3.0. ATSC 3.0 or Next Generation TV will allow broadcasters to offer a modernized viewing experience for consumers.

The IP based platform has the ability to bring together live over the air programming with streaming content in one hybrid experience.

With it, we will be able to enhance our core service and offer consumer a richer viewing experience.

In addition, the advanced advertising features of 3.0 will enable broadcasters to offer advertisers new opportunities that we think will grow our ad revenues.

Longer term, there is a tremendous opportunity for broadcasters to participate in both the connected and autonomous auto industry, with traditional video content, navigational aids and other data casting services.

The platform also has ability to be compatible with future wireless networks, and it can be envisioned that, like Wi-Fi, the broadcast platform could serve a synergistic service to future fixed wireless services and mobile handsets.

We believe the flexibility of the platform will enable broadcasters to provide future services not conceived today.

The transition is at this point voluntary, it is hard, but not impossible, but absolutely necessary for our industry to remain competitive in the eyes of our viewers as well as provide for potential new business opportunities.

Nexstar intends to remain a leader in championing this transition.

I am an unabashed fan of local television. Some might say that I now have \$6.4 billion new reasons to say so but that's beside the point.

If the regulatory shackles are removed, local diversified media companies are uniquely positioned to thrive in today's multi-platform, multi-screen world because we provide superior and preferred local content and because we offer local businesses, advertisers and brands unparalleled marketing opportunities across all local devices and screens.

Nexstar is a company that has been built on the principles of localism, innovation and growth.

Nexstar stands at the precipice of completing our transformative acquisition of Tribune Media making us the largest company in local television broadcasting.

We take that responsibility seriously. To be a leader in our industry and in our communities, to do things the right way and to do right by our viewers, advertisers, shareholders and employees.

On behalf of the more than 9,200 employees of the Nexstar Nation, thank you for your time today.