
April 21, 2026

Federal Court Issues Preliminary Injunction Preventing Nexstar-TEGNA Merger Integration

On April 17, 2026, Chief Judge Troy L. Nunley of the U.S. District Court for the Eastern District of California issued a preliminary injunction in *In re: Nexstar-TEGNA Merger Litigation*, No. 2:26-cv-00976-TLN-CKD, ordering Nexstar Media Group, Inc. (“Nexstar”) and TEGNA Inc. (“TEGNA”) to halt all integration activities and maintain TEGNA as a separate, independently managed business unit pending adjudication on the merits. The court found that DIRECTV, LLC (“DIRECTV”) and a coalition of eight state attorneys general (collectively, “Plaintiffs”) demonstrated a likelihood of success on their claims that Nexstar’s acquisition of TEGNA violates Section 7 of the Clayton Act, 15 U.S.C. § 18. Notably, Nexstar and TEGNA had already consummated their merger following clearance from both the U.S. Department of Justice (“DOJ”) and the Federal Communications Commission (“FCC”). The court’s preliminary injunction decision underscores that federal regulatory clearance does not immunize transactions from private or state antitrust enforcement.

Background

The Merging Parties and the Transaction

Nexstar is the largest owner of local broadcast television stations in the United States, and TEGNA is the second-largest owner of local English-language television stations. The acquisition would give Nexstar control of 228 broadcast stations reaching 80% of television households in 132 local markets.

Nexstar agreed to acquire TEGNA on August 18, 2025, in a transaction with an enterprise value of approximately \$6.2 billion.

Local Broadcast Television

The court noted that, despite the proliferation of streaming services, Americans rely heavily on local broadcast television for access to community news, sporting events and other local content. Local television stations are affiliates of one of the “Big Four” national networks (ABC, CBS, FOX and NBC) and, in addition to providing local content, offer live sports, national news and entertainment programming provided by the affiliate national network.

Multichannel video programming distributors (“MVPDs”), including cable and satellite companies, purchase the right to retransmit content from Big Four affiliates owned by Nexstar and TEGNA.

Regulatory Clearance and Closing

The transaction was subject to regulatory oversight and clearance by both the DOJ and the FCC. During the FCC process, Nexstar had committed to divest 6 television stations, extend existing retransmission agreements at existing rates, and expand its investment in local news and programming. After a months-long review, on March 19, 2026, the DOJ and FCC cleared the transaction and allowed the parties to close.

The Litigation

DIRECTV, an MVPD, filed suit on March 18, 2026, the evening before the transaction closed. On the same day, eight state attorneys general (California, Colorado, Connecticut, Illinois, New York, North Carolina, Oregon and Virginia) brought a parallel action under their *parens patriae* authority. The court consolidated the two cases and, after issuing a temporary restraining order on March 27, 2026, converted the motions into a preliminary injunction motion.

The Court's Analysis

Relevant Product and Geographic Markets

The court defined the relevant product market as retransmission consent licenses for Big Four broadcasting stations. The court held that licenses for Big Four stations are reasonably interchangeable with one another but not with non-Big Four broadcast stations, cable programming or streaming services, because MVPDs cannot otherwise obtain the combination of local news and live sports that Big Four broadcasting stations provide.

The court defined the relevant geographic markets as individual Designated Market Areas (“DMAs”), geographic regions used by the FCC.

Overlap and Market Concentration

The court held that in all 31 overlap DMAs where both parties have broadcast television stations, the parties have combined market shares above 30%, creating a presumption that the merger would violate the Clayton Act in those markets. In 16 of the 31 markets, the post-merger share would be above 50%. Similarly, the post-merger Herfindahl-Hirschman Index (“HHI”) (a standard economic methodology for measuring concentration in a market) ranged from 3,361 to 7,422 across overlap DMAs, with HHI increases in overlap DMAs ranging from 413 to 3,433, all “far above the levels that trigger the structural presumption of harm to competition found in the Merger Guidelines.”

Anticompetitive Effects

- **Increased Bargaining Leverage.** The court credited evidence that the merger would increase Nexstar’s bargaining leverage to extract higher fees from MVPDs, which would be passed on to consumers. Plaintiffs argued that Nexstar’s increased leverage flowed from the ability to blackout (or threaten to blackout) two or three local broadcast channels in the 31 overlap DMAs and increase the number of subscribers who would switch to another MVPD, as a means of coercing MVPDs to agree to higher prices. While the merging parties countered that they are disciplined by downward pressure to retransmission fees from “cord cutting,” the judge was persuaded by evidence showing that notwithstanding any increase in cord cutting, such fees have continued to rise.
- **Degraded Local News Quality.** The court further found that the merger would decrease competition between local stations resulting in degraded local news quality, citing academic studies and Nexstar’s own track record of consolidating newsrooms in markets where it controls multiple Big Four affiliates.

Defendants’ Rebuttal

The court found Defendants’ rebuttal evidence insufficient to overcome the prima facie case that the merger created a “reasonable probability of anticompetitive effect.” The defendants’ rebuttal arguments included the following:

- **MVPDs must license all Big Four stations in a DMA, thus stations are complements, not substitutes.** The Court rejected this, noting Defendants supplied no evidence that MVPDs *must* carry all Big Four stations.
- **DIRECTV can acquire network content directly from Big Four networks.** The Court found that there are no reasonable alternative sources for Big Four broadcast content other than through local broadcasters.
- **Defendants have no incentive to degrade local news and have FCC obligations to increase quality and output of local news.** The Court found that economies of scale lead to newsroom consolidation that lowers local journalism quality, and that Nexstar’s commitments to the FCC are irrelevant to whether the merger is unlawful under the antitrust laws. In holding that the public interest favored the preliminary injunction, the court also noted that the merging parties did not adequately explain why the preliminary injunction would prevent them from increasing investment in local news.

Terms of the Preliminary Injunction

The preliminary injunction contains detailed hold-separate provisions, including the following:

- All integration and consolidation activities are enjoined until final judgment.
- Nexstar must allow TEGNA to continue operating as a separate, independently managed business unit with separate management operating in the ordinary course consistent with pre-closing practices.
- Nexstar must maintain internal controls and firewalls to prevent sharing of competitively sensitive information, including retransmission consent fee negotiation data.
- Nexstar is prohibited from influencing TEGNA's decision-making regarding retransmission agreements, newsroom operations, programming, personnel and advertisement sales, and may not hire, terminate or transfer any TEGNA employees.
- Defendants must maintain staffing and operational support at 2025 or pre-closing 2026 levels, whichever are higher.

Key Takeaways

- **Federal regulatory clearance does not foreclose judicial review.** HSR clearance and sector-specific regulatory clearance are not a guarantee against post-closing litigation.
- **Private plaintiffs and state attorneys general (“AGs”) can obtain hold-separate relief for consummated mergers.** The court granted sweeping injunctive relief, including operational independence requirements, firewalls and staffing mandates, even though the transaction had already closed, finding that post-closing integration would cause irreparable harm by eliminating competition and jeopardizing potential divestiture remedies.
- **State AGs may diverge from the FTC and DOJ in their antitrust enforcement efforts, especially in cases that are high-profile and/or federal enforcers decline to litigate.** The preliminary injunction represented the second instance in just one week of state AG divergence from the DOJ on antitrust enforcement. Earlier in the week, 33 states obtained a [jury verdict](#) that Live Nation Entertainment, Inc. had engaged in unlawful monopolization and tying, after the DOJ had settled with defendants mid-trial.

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This memorandum is not intended to provide legal advice, and no legal or business decision should be based on its content. Questions concerning issues addressed in this memorandum should be directed to:

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