

Request for Authorization to Operate at Reduced Power

KAZH License, LLC, Debtor-in-Possession (“KAZH License”), permittee of KAZH-DT, Baytown, Texas, hereby respectfully requests authorization to operate with its authorized facilities but at 50 percent of its currently authorized power pursuant to STA. This reduced power operation is essential as a cost-savings measure in light of KAZH License’s dire financial condition, but such operation will have a minimal impact on viewers in the area. In fact, as indicated on the attached signal coverage map, only 1.6 percent of the persons within the authorized service contour are predicted to lose service as a result of the reduced power operation for which authorization is sought herein. KAZH License has previously notified the Commission of the reduced power operation, and authorization of its continuation, which will allow the station to remain on the air, will serve the public interest.

As reflected in the application for consent to *pro forma* assignment of license, File No. BALCT-20080609ACS, KAZH License has filed a petition seeking relief under Chapter 11 of the U.S. Bankruptcy Code. This filing demonstrates the extreme gravity of the licensee’s financial condition. In light of these circumstances, it is impossible for KAZH-DT to continue its operations without implementing some cost-saving measures. KAZH License currently operates KAZH(TV) on Channel 57 and KAZH-DT on Channel 41, both UHF channels which are known to require substantially greater input of electric power than would a VHF channel. With rapidly rising energy prices at this time, it has become cost-prohibitive to continue operation of KAZH(TV) and KAZH-DT at full power. The reduction by a factor of one-half of the power at which KAZH-DT operates will enable KAZH License to realize a substantial savings in the expenses of operation. Without such a reduction in costs, KAZH-DT could be forced to cease broadcasting altogether. Clearly, it better serves the public interest to have KAZH-DT operating

at reduced power rather than not at all.

Moreover, the actual impact of the reduction in power in terms of service to viewers will be minimal. As illustrated by the attached map, the lower power operation will result in a predicted loss of service to only about 1.6 percent of KAZH-DT's previous Grade B service area. Even that tiny loss is somewhat overstated, however, as many of the people located in that loss area will be able to continue to receive KAZH-DT's programming through alternate means.

A substantial majority of viewers in the area obtain their programming through cable and/or satellite television and are therefore unaffected by the power reduction. In fact, estimates by TVB Research Central for the Houston DMA, in which KAZH-DT is located, show that approximately 77.5 percent of the households in the market receive their television programming from cable, satellite, or other alternative sources. http://www.tvb.org/rcentral/markettrack/Cable_and_ADS_Penetration_by_DMA.asp. Thus, it can be concluded that only approximately 22.5 percent of the 1.6 percent of viewers no longer receiving KAZH-DT over the air would actually lose the KAZH-DT, which equates to approximately 0.4 percent of current KAZH-DT viewers.

It is therefore clear that grant of the requested STA would serve the public interest. The reduced power operation will allow KAZH-DT to make the necessary cost savings in order to continue operation. Furthermore, the offsetting detriment of reduced signal coverage is likely to affect only a very small percentage of viewers, on the order of 0.4 percent. Weighing the advantages against the disadvantages, it almost goes without saying that it would be far better to have 0.4 percent, or even 1.6 percent, of viewers lose service rather than the 100 percent that would lose service of KAZH-DT is forced to go silent. Therefore, grant of the STA requested herein would advance the public interest.

