

NATIONAL TELEVISION MULTIPLE OWNERSHIP

The Commission's national television multiple ownership rule, 47 C.F.R. § 73.3555(e), generally prohibits any party from having an attributable interest in television stations that have an aggregate national audience reach exceeding 35 percent.

On July 25, 2001, the Commission granted consent to the assignment of television station licenses from certain subsidiaries of Chris-Craft Industries, Inc. to Fox Television Stations, Inc. ("FTS").^{1/} Subject to consummation of the transactions proposed therein, the instant application seeks Commission consent to the assignment by FTS of the licenses of two of the Chris-Craft stations, KMOL-TV, San Antonio, Texas ("KMOL"), and KTVX, Salt Lake City, Utah ("KTVX"), to Clear Channel Broadcasting Licenses, Inc. ("Clear Channel"). As part of the same transaction, Clear Channel proposes to assign the licenses of WFTC(TV), Minneapolis, and KFTC(TV), Bemidji, Minnesota, to FTS.

In the Fox/Chris-Craft Applications, FTS demonstrated that, although its parent, Fox Television Holdings, Inc. ("FTH"), had attributable interests in stations with an aggregate national audience reach of 35.35 percent ^{2/} prior to the acquisition of the Chris-Craft station licenses, this figure reflected audience growth since the Commission had last approved the assignment of television station licenses to FTS in 1996. ^{3/} Specifically, the national audience reach attributable to FTH had grown as a result of population shifts and a decision by Nielsen Media Research to add certain communities to the Birmingham, Alabama Designated Market Area ("DMA"). However, as the Commission concluded when it adopted the national multiple ownership rule, a station group owner once found to be in compliance with the national ownership restriction, but that subsequently exceeds the audience reach cap as the result of population shifts, will

^{1/} See *UTV of San Francisco, Inc., et al.*, FCC 01-209 (July 25, 2001)(the "Fox - Chris-Craft Order").

^{2/} The calculation of audience reach in the Fox/Chris-Craft Applications was based on January 1, 2001 Nielsen Media Research ("Nielsen") estimates, which remain the most current data available.

^{3/} See *Applications of NWCG (Parent) Holdings Corp. & NWCH Holdings Corp. (Transferor) and Fox Television Stations, Inc.*, 11 FCC Rcd 16318, 16324, para. 12 and n.4 (1996) (approving, without condition, acquisition that resulted in common ownership of television stations with an aggregate national audience reach of 34.82 percent).

not be required to divest stations in order to reduce the aggregate reach of its stations to 35 percent or less. 4/

Accordingly, in the Fox/Chris-Craft Applications, FTS indicated its intent to divest a sufficient number of stations to reduce the national audience reach attributable to FTH to the same level that existed prior to the acquisition of the Chris-Craft stations. 5/ The instant transaction effectuates one of those divestitures.

As a result of the proposed assignment of KMOL to Clear Channel, FTH no longer will have attributable audience reach in the San Antonio DMA. 6/ Further, although FTS is acquiring two stations located in the Minneapolis-St. Paul DMA, 7/ the acquisition will not result in any increase in national audience reach because, assuming consummation of the Fox/Chris-Craft Applications, FTS will already be the licensee of KMSP-TV, Minneapolis, Minnesota. 8/ The effect of the transaction proposed in the instant application will be a net reduction of 0.679 percent in FTH's national audience reach as a result of the divestiture of KMOL. 9/

4/ See Amendment of Section 73.3555 of the Commission's Rules relating to Multiple Ownership of AM, FM and Television Broadcast Stations, Memorandum Opinion and Order, 100 F.C.C.2d 74, 92 para. 40 & n.52 (1985).

5/ The Commission granted FTS a period of 12 months to make such divestitures. See *Fox/Chris-Craft Order* at para. 48.

6/ Because FTS will remain the licensee of KSTU(TV), Salt Lake City, UT, the divestiture of KTVX(TV) will not result in a decrease of national audience reach.

7/ As demonstrated earlier in this exhibit, the proposed acquisition of WFTC(TV), Minneapolis, MN, is permissible under the Commission's local television multiple ownership rule because there are currently nine independently-owned and operating full-power commercial and noncommercial stations in the Minneapolis-St. Paul DMA. See 47 C.F.R. § 73.3555(b)(2). The proposed acquisition of KFTC(TV), Bemidji, MN, is permissible because the Grade B contour of KFTC(TV) does not overlap with the Grade B contours of either KMSP-TV or WFTC(TV). See 47 C.F.R. § 73.3555(b)(1).

8/ When relaxing the television local ownership rules to permit duopolies, the Commission concluded that the "public interest would be served by counting a market only once when calculating an entity's national ownership reach." See *Broadcast Television National Ownership Rules*, Report and Order, 15 FCC Rcd 20743, 20743 (1999), *aff'd on reconsideration*, Memorandum Opinion and Order on Reconsideration, 16 FCC Rcd 1063 (2001).

9/ After divestiture of KMOL-TV, San Antonio, TX, FTH will have an attributable interest in 34 commercial television stations having a national audience reach of 40.23 percent.

**FOX TELEVISION HOLDINGS, INC.
NATIONAL AUDIENCE REACH**

DMA	Call Sign	Channel	Frequency Band	Audience Reach %
New York, NY (6.787)	WNYW WWOR	5 9	VHF VHF	6.787
Los Angeles, CA (5.240)	KCOP KTTV	13 11	VHF VHF	5.240
Chicago, IL (3.175)	WFLD	32	UHF	1.587
Philadelphia, PA (2.646)	WTXF	29	UHF	1.323
San Francisco-Oakland-San Jose, CA (2.380)	KBHK	44	UHF	1.190
Boston, MA (2.194)	WFXT	25	UHF	1.097
Washington, DC (2.004)	WTTG	5	VHF	2.004
Dallas-Ft. Worth, TX (2.025)	KDFW KDFI	4 27	VHF UHF	2.025
Detroit, MI (1.834)	WJBK	2	VHF	1.834
Atlanta, GA (1.817)	WAGA	5	VHF	1.817
Houston, TX (1.710)	KRIV	26	UHF	0.855
Minneapolis-St. Paul, MN (1.478)	KMSP WFTC KFTC	9 29 26	VHF UHF UHF	1.478
Tampa-St. Petersburg-Sarasota, FL (1.476)	WTVT	13	VHF	1.476
Cleveland, OH (1.456)	WJW	8	VHF	1.456
Phoenix, AZ (1.411)	KSAZ KUTP	10 45	VHF UHF	1.411
Denver, CO (1.284)	KDVR	31	UHF	0.642
St. Louis, MO (1.097)	KTVI	2	VHF	1.097

**FOX TELEVISION HOLDINGS, INC.
NATIONAL AUDIENCE REACH**

DMA	Call Sign	Channel	Frequency Band	Audience Reach %
Orlando, FL (1.102)	WRBW	65	UHF	0.551
Portland, OR (0.996)	KPTV	12	VHF	0.996
Baltimore, MD (0.989)	WUTB	24	UHF	0.494
Kansas City, MO (0.818)	WDAF	4	VHF	0.818
Milwaukee, WI (0.810)	WITI	6	VHF	0.810
Salt Lake City, UT (0.717)	KSTU	13	VHF	0.717
Birmingham, AL (0.660)	WBRC	6	VHF	0.660
Memphis, TN (0.628)	WHBQ	13	VHF	0.628
Greensboro-High Point-Winston-Salem, NC (0.587)	WGHP	8	VHF	0.587
Austin, TX (0.481)	KTBC	7	VHF	0.481
Huntsville-Decatur (Florence), AL (0.344) <u>10/</u>	WHDF	15	UHF	0.172

Fox Television Holdings, Inc. National Audience Reach - 40.23%

Source: January 1, 2001, Nielsen Media Research Estimates.

Audience reach calculations for UHF stations have been discounted by 50% in accordance with Section 73.3555(e)(2) of the Commission's rules.

10/ As detailed in Exhibit 13, Fox/UTV Holdings, Inc. will acquire a 17½ percent attributable membership interest in WHDF(TV), Florence, Alabama as part of the transaction proposed in the Fox/Chris-Craft Applications.