

Description of the Transaction and Multiple Ownership Showing

On February 8, 2018, Legacy Broadcasting of Wyoming, LLC (“Legacy”) entered into an Asset Purchase Agreement with Silverton Broadcasting Company, LLC (“Silverton”) pursuant to which Legacy would acquire the assets used in the operation of television Station KTWO-TV, Casper, Wyoming. On the same day, Legacy entered into a separate Asset Purchase Agreement with Wyomedia Corp. (“Wyomedia”) pursuant to which Legacy would acquire the assets used in the operation of television station KFNB(TV), Casper, Wyoming and its satellite stations KFNR(TV), Rawlins, Wyoming and KFNE(TV), Riverton, Wyoming, as well as television station KLWY(TV), Cheyenne, Wyoming. Legacy is a female-owned broadcasting company which currently owns six television stations. Legacy’s principal, Sherry Nelson, has worked in the broadcast industry for many years. As demonstrated below, the proposed transactions comply with the Commission’s new local television ownership rule, as adopted in the November 2017 *Order on Reconsideration and Notice of Proposed Rulemaking*.¹

I. Overview

Silverton and Legacy along with Wyomedia and Legacy are concurrently filing separate FCC Form 314 applications (the “Applications”) seeking Commission consent to the assignment of the following full power television stations:

Current Licensee	Call Sign	Facility ID	Community of License	DMA
Silverton Broadcasting Company, LLC	KTWO-TV	18286	Casper, Wyoming	Casper-Riverton, WY
Wyomedia Corporation	KFNR(TV)#	21612	Rawlins, Wyoming	Denver, WY
Wyomedia Corporation	KFNE(TV)#	21613	Riverton, Wyoming	Casper-Riverton, WY
Wyomedia Corporation	KFNB(TV)	74256	Casper, Wyoming	Casper-Riverton, WY
Wyomedia Corporation	KLWY(TV)	40250	Cheyenne, Wyoming	Cheyenne, WY

KFNR(TV) and KFNE(TV) have always operated as satellites of KFNB(TV).

Legacy is also requesting consent to acquire the following translator and low power television stations owned by Silverton: K17JZ-D, K47AD-D, K13NZ-D, K22CI-D, K26LW-D, K30MX-D, K35CV-D and KKTQ-LD as well as the following translators and low power television stations owned by Wyomedia: K11RN-D, KWYF-LD and K09XL-D

II. Compliance with Multiple Ownership Rules

Legacy’s ownership of each of the above broadcast stations complies with the Commission’s ownership rules. Legacy does not currently hold an attributable interest in the licensee of any full power television stations in any of the markets in which the stations are

¹ 2014 Quadrennial Regulatory Review – Review of the Commission’s Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996 (Reconsideration Order and NPRM), *Order on Reconsideration and Notice of Proposed Rulemaking*, 32 FCC Rcd 9802, 9832-40 ¶ 69-85 (2017) (“*Recon Order*”).

located. Satellite station KFNR(TV) is licensed to a community located within the Denver DMA, a market in which Legacy does not have any attributable interest. Legacy herein submits a request for continued satellite authority for KFNE(TV).

A. Denver, CO DMA

Legacy's Ownership of KFNR(TV) Complies with the Updated Local Television Ownership Rule

KFNR(TV) is licensed to Rawlins, Wyoming, which is located in Carbon County, Wyoming. Carbon County, Wyoming is part of the Denver, Colorado DMA. Notwithstanding the fact that KFNR(TV)'s community of license is located in the Denver DMA, Nielsen has assigned KFNR(TV) to the Casper-Riverton, WY DMA, because as a matter of policy Nielsen assigns a satellite station to the same DMA as its parent, which in this case is KFNB(TV). However, as the Commission has previously held, for purposes of application of the Commission's Local Television Ownership Rule, the station's community of license determines a station's market for purposes of compliance with the rule.² In this case, upon consummation of the proposed transactions, Legacy's only attributable interest in a full-power television station in the Denver DMA will be KFNR(TV). Therefore, Legacy's ownership of KFNR(TV) would comply with the Commission's local television ownership rule.

B. Casper-Riverton, WY DMA

Legacy's Ownership of KTWO-TV and KFNB(TV) Complies with the Updated Local Television Ownership Rule.

Upon consummation of the proposed transactions, Legacy will hold an attributable interest in full-power television stations KTWO-TV and KFNB(TV) and satellite stations KFNR(TV) and KFNE(TV). Under the Commission's new local television ownership rule, which took effect on February 7, 2018,³ Legacy may hold an attributable interest in two full-power television stations so long as at least one of the stations is not ranked as a Top-4 station in the market.⁴ As shown in the table below, which is based on Nielsen reports for May, July and November 2017 sweeps, KTWO-TV, the ABC affiliate for the Casper-Riverton DMA consistently ranks among the top-3 stations in the market. KFNB(TV), the local Fox affiliate, has ranked as the fifth highest station in the market behind KCWY-DT (NBC), KGWC-TV (CBS), KTWO-TV (ABC), and KWYF-LD (MeTV).

² See Schurz Communications, Inc., *Opinion*, 31 FCC Rcd 1113 (2016).

³ The *Recon Order* was published in the Federal Register on January 8, 2018. *2014 Quadrennial Regulatory Review*, 83 Fed. Reg. 733 (Jan. 8, 2018). The Commission's updated local television ownership rule took effect 30 days after publication in the Federal Register on February 7, 2018.

⁴ See 47 C.F.R. § 73.3555(b); See also *Recon Order* at 9834-9836, ¶ 73-76.

May 2017 Sweeps		
<u>Call Sign</u>	<u>Network</u>	<u>Rank</u>
KCWY-DT	NBC	1*
KTWO-TV	ABC	1*
KGWC(TV)	CBS	3
KWYF-LD	Me TV	4
KFNB(TV)	Fox	5

July 2017 Sweeps		
<u>Call Sign</u>	<u>Network</u>	<u>Rank</u>
KCWY-DT	NBC	1
KTWO-TV	ABC	2
KGWC(TV)	CBS	3
KWYF-LD	Me TV	4
KFNB(TV)	Fox	5

November 2017 Sweeps		
<u>Call Sign</u>	<u>Network</u>	<u>Rank</u>
KCWY-DT	NBC	1
KGWC(TV)	CBS	2
KTWO(TV)	ABC	3
KWYF-LD	Me TV	4
KFNB(TV)	Fox	5

*Stations tied

Common ownership of KTWO-TV and KFNB(TV) by an experienced television broadcaster will produce substantial public interest benefits as described in the *Recon Order*.⁵ The Casper-Riverton DMA is the 198th ranked DMA in the country and has a limited advertising base for which there is vigorous competition. Combining KFNB, which is the market's fifth ranked station, with a stronger station like KTWO-TV will permit efficiencies that could not be obtained under separate ownership structures.

Grant of a Continuation of the Satellite Waiver for KFNE(TV) is in the Public Interest.

⁵ *Id.*

Legacy respectfully requests continuation of the satellite waiver for KFNE(TV) so that it may maintain its historic operating status and continue to serve the public in its sparsely populated service area.

The Commission's satellite policy⁶ set out three criteria under which the Commission will presume that the common ownership of a main and satellite station is in the public interest. Those criteria are:

1. there is no City Grade overlap between the parent and the satellite stations;
2. the proposed satellite will provide service to an underserved area; and
3. no alternative operator is ready and able to construct or purchase and operate the satellite as a full-service station.⁷

Alternatively, if the applicant cannot demonstrate the requirements to qualify for the presumption, the Commission reviews proposals on an *ad hoc* basis to determine whether compelling circumstances warrant grant of the application.⁸

With respect to the first criterion of the presumptive satellite waiver test, due to the digital transition, the City Grade contour is no longer relevant.⁹ Nevertheless, the Commission will consider whether the stations' analog City Grade contours overlapped prior to the transition.¹⁰ Historically, KFNE(TV) has operated as a satellite of KFNB(TV). Furthermore, the attached engineering exhibit from Chesapeake RF Consultants, LLC demonstrates that the former City Grade contour of KFNE(TV) did not overlap the City Grade contours of KFNB(TV).¹¹ The contour maps attached in Exhibit 1 also demonstrate that the current Principal Community Contours of KFNE(TV) and KFNR(TV) (which serve a larger area than the former analog city grade contours) do not overlap the Principal Community Contour of KFNB(TV).¹²

With respect to the second criterion, KFNE(TV)'s community of license is underserved. An applicant may demonstrate that a proposed satellite station serves an underserved area by demonstrating either (a) that there are two or fewer television stations (including commercial, noncommercial, and satellite stations) licensed to the station's community of license (the "transmission test") or (b) that 25 percent or more of the area within the satellite station's Grade

⁶ Television Satellite Stations Review of Policy and Rules, *Report and Order*, 6 FCC Rcd 4212 (1991).

⁷ *Id.* at 4213.

⁸ *Id.* at 4214.

⁹ New Young Broadcasting Holding Company, Inc., *Opinion*, 25 FCC Rcd 7518, 7519 (MB 2010).

¹⁰ ION Media Networks Liquidating Trust, *Opinion*, 24 FCC Rcd 14579 (MB 2009) (noting that the stations' previous analog City Grade contours of the respective stations did not overlap prior to the transition to digital broadcasting).

¹¹ *See* Exhibit 1.

¹² *See* Pappas Telecasting of Central Nebraska, L.P., *Opinion*, 31 FCC Rcd 3347 (MB 2016).

B contour, but outside the parent station's Grade B contour is served by four or fewer full-power television stations (the "reception test"). Application of the "transmission test" demonstrates both of the satellite stations serve an "underserved" area. Each of the satellite stations is the only full-service television station licensed to its community of license. Because the proposed satellite station satisfies the "transmission test," it is not necessary to examine the alternative "reception test."

As the FCC has determined previously, operation of KFNE(TV) meets the third prong of the FCC's presumptive standard because it could not operate as a stand-alone, full-power station. The Casper-Riverton DMA is the 198th ranked DMA comprised of five geographically expansive counties in central Wyoming. While the market covers a large geographic area, the total population in the market is just 153,400 people. The largest city in the market is Casper, which has a population of approximately 59,324.¹³ By comparison, Riverton has a population of only 10,997.¹⁴ In short, KFNE(TV) serves a licensed community (and surrounding similarly rural communities) with far less people and fails to provide an over-the-air signal to an economic base capable of supporting a stand-alone, full-service station.¹⁵

Each of the Big 4 affiliates in the market use satellite stations or low-power facilities to provide over-the-air service to a larger portion of the market than the primary station can reach. KFNB(TV) must continue to operate KFNE(TV) to compete effectively in the market. Accordingly, Legacy asserts that the Commission should find that Legacy has met the presumptive satellite waiver test. In the alternative, Legacy asks that the Commission grant the request for continuation of the satellite waiver, because Legacy meets its burden under the *ad hoc* test.

C. Cheyenne, WY DMA

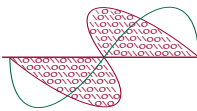
Legacy's Acquisition of KLWY-TV Complies with the Commission's Updated Local Television Ownership Rule.

¹³ *Quick Facts Casper City, Wyoming*, United States Census Bureau, <https://www.census.gov/quickfacts/fact/table/caspercitywyoming/PST045216>.

¹⁴ *Quick Facts Riverton City, Wyoming*, United States Census Bureau, <https://www.census.gov/quickfacts/fact/table/rivertoncitywyoming/PST045217>.

¹⁵ Wyomedia, as the owner of the fifth-ranked station in one of the very smallest markets in the country as well as two satellite stations, did not retain a broker to attempt to sell KFNR. The facts and circumstances previously supporting grant of the satellite waiver for this station have not changed, and Legacy submits that requiring that it retain a broker to prepare a letter reiterating the characteristics of the market and lack of a market for a satellite station in this small market would impose unnecessary costs with no benefit to the Commission or the public. Therefore, in light of KFNE's historic status as a satellite station since it first began operation, and the continued rural character of its service area, Legacy seeks a waiver of the requirement to submit a broker letter supporting continuation of the station's satellite status simply because its ownership is changing.

Upon grant of the Applications, Legacy will hold an attributable interest in just one full-power television station - KLWY-TV - in the Cheyenne DMA. Therefore, Legacy's ownership of KLWY-TV clearly complies with the Commission's rules.

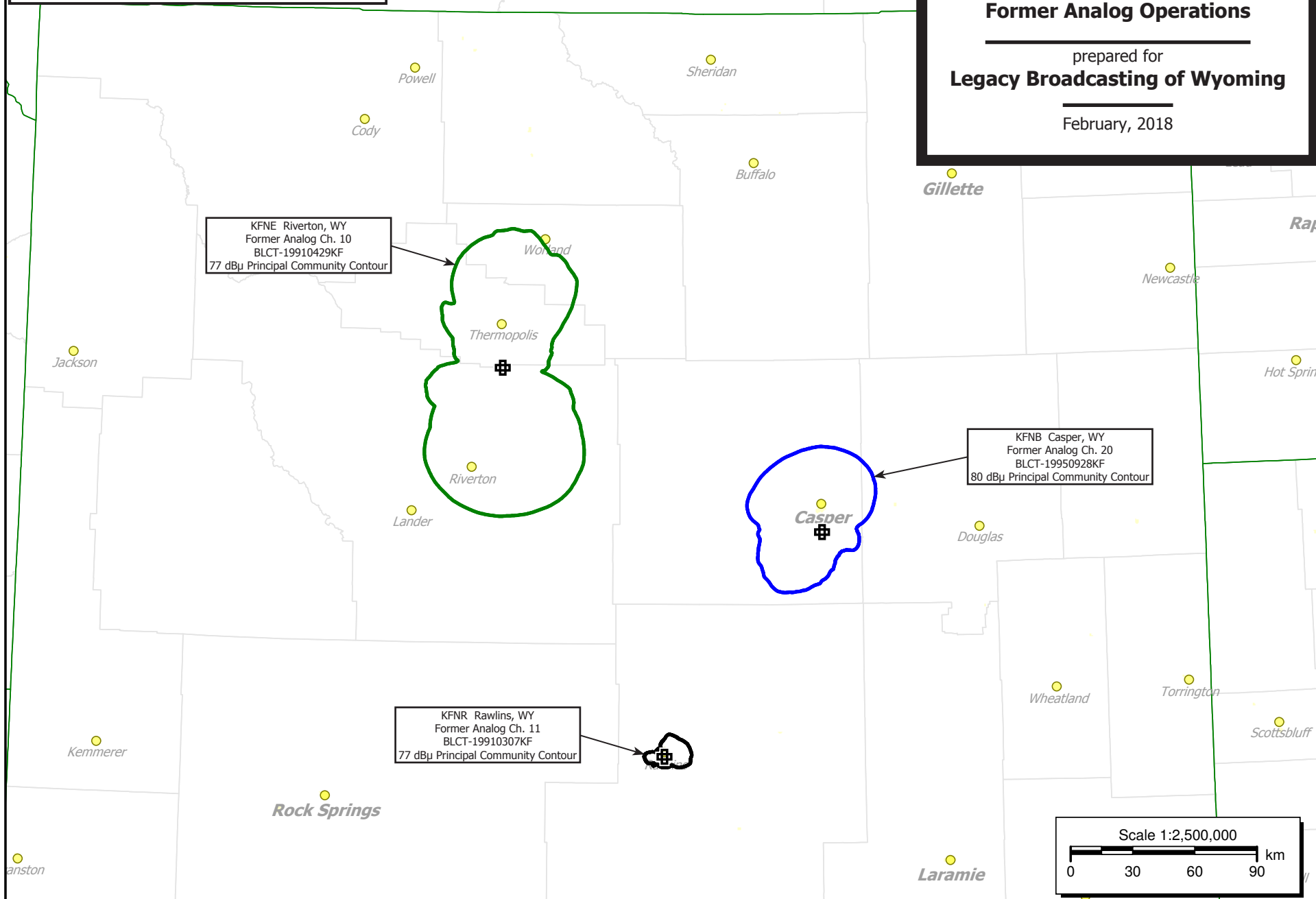


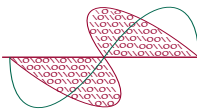
Chesapeake RF Consultants, LLC
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Digital Television and Radio

Satellite Station Contours KFNB Casper, WY Former Analog Operations

prepared for
Legacy Broadcasting of Wyoming

February, 2018





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